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NEWSPAPER

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Nation's
Restaurant News®
The Weekly Newspaper of the Food-Service Industry

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Young chains spark boom in frozen yogurt

One-time 'fad' is again attracting new converts

By Paul Frumkin

Frozen yogurt is hot once again. Shops selling the low-calorie, low-cholesterol ice cream alternative—dismissed as a fad by critics after its dramatic rise and fall in the 1970s—are springing up on street corners, in malls and strip centers across the country.

This new boom in the frozen yogurt segment is being sparked by a handful of quick-growth young chains, most of which operate under the philosophy that every ice cream lover is a potential convert to frozen yogurt.

Led by 242-unit This Country's Best Yogurt (TCBY), chains are adding units at a feverish pace.

LEADING YOGURT CHAINS

Chain, Headquarters	Number of Units
TCBY Enterprises, Little Rock, Ark.	242
Zack's Famous Frozen Yogurt, Metairie, La.	80
Everything Yogurt, Staten Island, N.Y.	70
I Can't Believe It's Yogurt, Dallas, Tex.	70
Penguin's Place Frozen Yogurt, Thousand Oaks, Calif.	34
Heidi's Frozen Yogurt Shoppes, Laguna Hills, Calif.	31
J. Higby's Yogurt & Treat Shoppe, Sacramento, Calif.	29

TCBY anticipates nearly doubling its size by the end of 1987, to 450 units. Zack's Famous Frozen Yogurt, which operated 45 stores at the end of 1985, said it will top the 100 mark later this year. The 70-unit I Can't Believe It's Yogurt also plans to have 100 units operational by the end of December.

Among other chains that are expe-

*(See **YOGURT**, page 90)*

Industry secures relief on employee meal tax

By Ken Rankin

WASHINGTON — Food-service industry lobbyists have secured last-minute concessions from Senate tax reformers to maintain full deductibility for meals served on-premises to restaurant employees.

Packwood

But some industry legal experts suspect that many types of food-service operations—from industrial feeders to fast-food chains—may fall through the cracks and still be subject to tax on 20% of the value of employee meals.

According to officials at the Foodservice and Lodging Institute, such a partial loss of employee meal deductibility would add between $2,000 and $3,000 to the annual tax bill for the average restaurant, and hundreds of thousands of dollars in additional taxes for large food-service chains.

FLI's concerns stem from a largely unnoticed section of last month's Senate Finance Committee tax refrom report explaining that under the Senate-approved legislation "the cost of a meal furnished by an employer to employees on the employer's premises is subject to" the same rule limiting business meal deductions to 80%.

Congress "probably never intended to add a new tax for the soup your cook eats when cooking in your kitchen, but that is precisely the result of the language cleverly inserted in both the House and Senate versions of the new tax bill," FLI attorney Tracey J. Power said in a recent analysis.

*(See **LOBBYISTS**, page 95)*

Pizza Inn ponders leveraged buyout offer by investor group

By Don Jeffrey

DALLAS — After selling off a food-manufacturing subsidiary and restructuring top management, Pizza Inn is considering a leveraged-buyout offer from a group of investors headed by chief executive and founder F. J. Spillman.

The investor group has offered to buy all outstanding shares of the publicly traded company at $10.50 a share, or about $21 million. It already holds or controls more than one-third of the company's approximately 3 million outstanding shares.

The move comes after several quarters of disappointing results for the company that operates and franchises the fourth-largest pizza chain, with about 727 units.

The company said the proposal would be reviewed by an independent committee of the board of directors. Dean Witter Reynolds, an investment banking company, was hired to advise the committee. The company said the investor group had "obtained financing proposals from various lenders" for the acquisition.

Spillman has been unavailable for interviews, and the company has not

*(See **PIZZA INN**, page 95)*

Restaurant rises from retail shop

International Bazaar offers Little Rock a change of diet

By Marilyn Alva

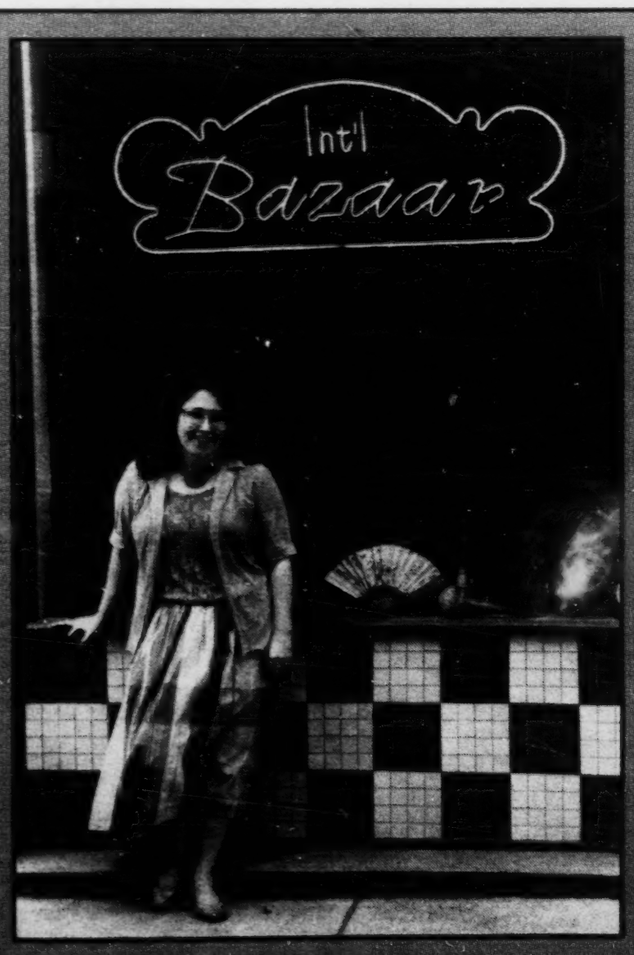
LITTLE ROCK, Ark. — It still surprises Libby Barnett that gourmet retail outlets are sprouting up in restaurants around the country as operators look for new ways to generate revenues.

Several years ago in a role reversal of sorts, Libby Barnett added a restaurant to her fledgling ethnic gourmet grocery business here and found that the desire for sit-down fare exceeded that for take-out retail items.

Today International Bazaar is one of Little Rock's most popular, if not offbeat, restaurants, and the tiny grocery store she began 10 years ago is a scrapbook memory.

"The restaurant end just caught on, not by any great design, I have to admit," said Barnett, a native of Little Rock who was always fascinated with foreign foods.

*(See **BAZAAR**, page 4)*



Libby Barnett outside the International Bazaar in downtown Little Rock, Ark.

Sales growth brakes in June but second quarter surprises

By Rick Telberg

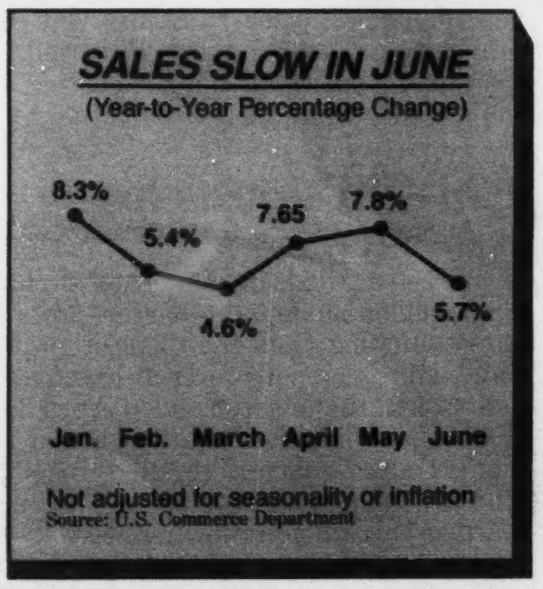
WASHINGTON — Sales growth at the nation's eating and drinking places slowed to a 5.4% year-to-year rate in June, down from a robust 7.8% advance in May, the U.S. Commerce Department said in its earliest and broadest gauge of retail trends.

The new data, while suggesting a June slowdown, also indicate the three-month, April-to-May period was stronger than was at first indicated. Second-quarter sales rose 6.9% over the year-ago level, after gaining at a year-to-year rate of 6% in the first three months of the year, the new estimates disclose.

Restaurant industry analysts termed June's sales trends lackluster, a continuation of two years of soft traffic counts. But some analysts disputed as excessive the Commerce Department's revised figures for April and May.

"I don't know where Commerce sees strength in the in-

*(See **JUNE SALES**, page 98)*



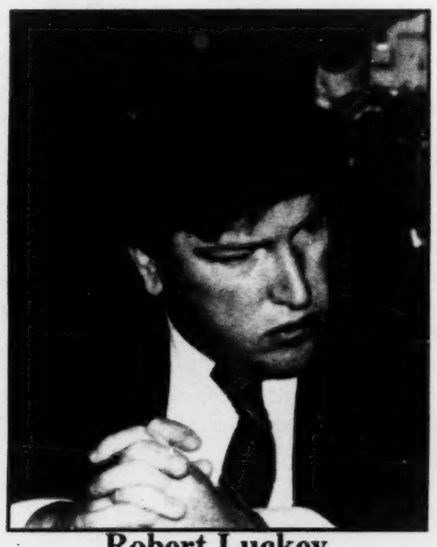
Luckey new president of Po Folks franchisee

JUPITER, Fla. — Robert Luckey, former chief executive of Sambo's and Flakey Jake's, has become president and chief executive of a 30-unit Po Folks franchise here co-owned by actor Burt Reynolds.

The privately held company, called Banditree, is also owned by Buddy Killen, whose Nashville-based Tree International is one of the largest publishers of country and Western music. He is Banditree's chairman.

John Scott, franchising vice president of Po Folks, said Banditree was the second-largest franchisee and that it had development contracts to build more than 160 units. Its territories are in Florida and Texas.

Luckey declined to be interviewed.



Robert Luckey
Banditree president

Late last year, Luckey, who is about 46, resigned as president and chief executive of the struggling gourmet hamburger chain Flakey Jake's, which he joined in early 1984. Chairman Frank Carney, who founded Pizza Hut, took over as chief executive.

Before that, Luckey had been chairman of Sambo's for nearly two years. He was hired by that chain when it was operating under Chapter 11 creditor protection. In December 1983 he lost his position when the bankruptcy court judge appointed a trustee to run the company.

Luckey has also been a Burger King franchisee. Before his time with Sambo's, he was the chief executive of Chart House, which was then the hamburger chain's biggest franchisee.

There are now 174 Po Folks Southern-style family restaurants operating in 27 states — 52 company-owned and 122 franchised.

Reynolds is not the only show-business celebrity involved with the chain. Country-music singers Conway Twitty and Bill Anderson are also franchisees.

The franchisor, Nashville-based Po Folks Inc., reported a $1.9 million net loss for the second quarter, ended March 30, on $39 million in revenue. For six months there was a $2.7 million net loss on $77 million in revenue.

Former Duff's owners forced Kelly-Johnston to seek protection from its creditors in April 1985.

Kelly-Johnston to emerge from Chapter 11 as Aschling

Company vows to 'try not to grow too fast'

By Rick Telberg

OKLAHOMA CITY — Kelly-Johnston Enterprises Inc., which shot to prominence as the biggest Chi-Chi's Mexican dinnerhouse franchisee and began disintegrating after buying the Duff's Smorgasbord chain, seems poised to reemerge after 14 months in Chapter 11 bankruptcy proceedings.

The resurrected company, profitable though a mere shadow of its former self, will be renamed Aschling Inc.

Promising not to repeat past mistakes, chairman Raymond S. Koss asserted, "We're not going to try to grow too fast."

"There was never any real weakness in the concepts," he said. "The company just grew too quickly. It overexpanded and outgrew its financing."

Kelly-Johnston's bout with bankruptcy recalls other spectacular financial fiascos in food service, including those of Victoria Station, Sambo's and Pizza Time Theater. In recent months Fresher Cooker has emerged from Chapter 11, and D'Lites of America has said it may end up in bankruptcy.

Koss said Kelly-Johnston, after sifting through $260 million in creditors' claims, has come to terms with all but one creditor and would probably be reborn in August. The $51 million settlement calls for creditors to be repaid 13¢ to 30¢ on the dollar, he said.

Disgruntled former Duff's owners forced Kelly-Johnston to seek Chapter 11 protection from its creditors in April 1985. Kelly-Johnston acquired the then-133-unit all-you-can-eat buffet chain in a stock deal valued at $16.4 million in August 1983. But almost immediately, Kelly-Johnston faced

*(See **KELLY**, page 90)*

LATE NEWS DIGEST

Soliman quits Grace post

IRVINE, Calif. — Anwar Soliman has resigned as head of the W. R. Grace restaurant group and as a corporate executive vice president, the company disclosed. An informed source said Soliman quit after a dispute with chairman J. Peter Grace over the structuring of a proposed leveraged buyout of the company's huge restaurant empire. In May, Grace agreed to sell the controlling interest in its restaurants to a management group headed by the 49-year-old Soliman. The leveraged buyout is proceeding on schedule, a Grace spokesman said.

Darling quits Burger King

MIAMI — Jay Darling has resigned as president of Burger King and will become a franchisee, the company disclosed. Jeffrey Campbell, chairman-chief executive, will assume Darling's duties.

Chi-Chi's posts loss

LOUISVILLE, Ky. — Chi-Chi's Inc., owner of a Mexican dinnerhouse chain, said $5.3 million in fourth-quarter pretax write-offs stemming from the disposition of restaurants and a company aircraft led to a $1.1 million loss in the quarter ended April 30. In the 1985 final quarter, Chi-Chi's earned $3.5 million. Fourth-quarter revenue rose 21%, to $68.287 million. For the year, Chi-Chi's said it earned $9.1 million, down 42% from the 1985 level, on a revenue of $269.3 million, a 31% advance.

Seafood dishes added

SOUTH WEYMOUTH, Mass. — Ground Round has rolled out a summer "mini-menu" featuring two shrimp appetizers and grilled swordfish, Cajun shrimp and charbroiled shrimp main courses.

4.8

WALL STREET UPDATE

Index sags to 179

NEW YORK — The *Nation's Restaurant News* Stock Index dropped 4.8 points in the week ended July, closing at 179.3. Price losers outpaced winners by a 5-to-1 margin.

(Full report, tables, on pages 96-97)

Chicken prices skyrocket

ATLANTA — A severe drought and heat wave in the South is responsible in part for soaring wholesale chicken prices, according to reports by several fast-food chains. Richard Sherman, president and chief executive at Church's Fried Chicken, blamed his chain's recent lackluster financial results on "some of the highest poultry prices in more than 10 years."

Burger Kings reopen

BURBANK, Ill. — Burger King has reopened three south suburban Chicago restaurants that it closed for several days during an investigation of a salmonella outbreak that affected 18 customers. One employee tested positive for salmonella.

Posner guilty in tax case

MIAMI — Financier Victor Posner, whose empire includes Royal Crown Cos. and the 1,550-unit Arby's fast-food chain, was convicted of evading more than $1.2 million in federal income taxes. A jury deliberated 14 hours before convicting him of one count of conspiracy, four counts of income tax evasion and five counts of filing false tax returns.

INSIDE THIS ISSUE

More than 850 companies will exhibit their wares at the 50th annual Western Restaurant Convention & Exposition, which opens Aug. 23 at the Moscone Convention Center in San Francisco. *Page 67.*

Restaurants and other businesses may be held liable for sexual harassment by supervisors even if the employer is unaware of the activity, the U.S. Supreme Court ruled. *Page 28.*

Fagan's, a popular Cleveland saloon, plans big changes—a new menu and new decor—to attract what owner Tim Spencer hopes will be an upscale clientele. *Page 72.*

Food service faces a shortage of 1.1 million workers by 1995, according to a new survey conducted for the National Restaurant Association. *Page 61.*

Frozen custard is as common as cheese and beer in Milwaukee, which may have more authentic custard stands than just about any other city. *Page 75.*

Two alternative methods of processing bacon, both of which could cut bacon prices, will be permitted by the U.S. Department of Agriculture. *Page 30.*

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Ken Hill: leading T. J. Cinnamon's rise

By Ken Frydman

KANSAS CITY, Mo.—One year after resigning as Gilbert/Robinson's president, Ken Hill holds no grudges against that company, parent corporation W.R. Grace or any executives who did not see eye to eye with him over 12 years.

Newsmaker

But, then again, "no one in the Grace executive group has called me since I left, and I haven't called them either," Hill said.

Hill resigned from Gilbert/Robinson on July 15, 1985, to join the fledgling T.J. Cinnamon's fast-food bakery chain as chief executive. His decision was apparently precipitated by a philosophical disagreement with Grace restaurant company executives over expansion plans for Gilbert/Robinson, particularly signature concept Houlihan's.

Ken Hill
President, T. J. Cinnamon's

He preferred a slow and cautious growth rate for Gilbert/Robinson's specialty and casual dining segments; Grace wanted to expand quickly and make the 116-unit, 22-state Gilbert/Robinson a national restaurant company.

"There's no dirt or skeletons in the closet to talk about," said Hill about his reasons for departing from Gilbert/Robinson. "In an organization the size of W.R. Grace or Gilbert/Robinson you're bound to have philosophical differences.

"Corporate life within the organization wasn't particularly for me," he added. "It was time for me to do something different and entrepreneurial." Nonetheless, he "tries to keep tuned in" with goings-on at his previous place of employment. After all, he still owns 15,000 shares of W.R. Grace stock, valued at $55 a share.

Under Hill, Gilbert/Robinson grew from nine units in Kansas City to 79 stores in 23 states, with systemwide gross sales of $200 million in fiscal year 1985. When he officially joined T.J. Cinnamon's parent company, Signature Foods, as president and chief executive officer, the company operated only one bakery in suburban Country Club Plaza here.

Today there are 31 T.J. Cinnamon's in operation (six company-owned), with plans to have 75 to 80 open by year's end, according to Hill, who oversees franchise operations and training.

Company founders Sharon Hoffman and Eileen Cohen retain control of the original company-owned T.J. Cinnamon's sites.

"Gross sales per T.J. Cinammon's store will be $300,000 to $500,000 in 1986," Hill predicted.

Calling his year away from W.R. Grace and Gilbert/Robinson "exciting and rewarding," Hill has nonetheless maintained ties with former employees, if not employers.

He recently hired Donna Byers, onetime Gilbert/Robinson vice president of purchasing, to run a new Signature Foods subsidiary division, Panache Chocolatier. The high-end specialty chocolate concept is currently in operation at theCountry Club Plaza and Clayton, a suburb of St. Louis.

International Bazaar: an offbeat Little Rock spot

(Continued from page 1)

International Bazaar offers "food excursions" to different parts of the world, particularly India and the Orient. But unlike most ethnic restaurants laden with native weavings and foreign music, this one has all the ambience of a T.G.I. Friday's, with jazz music, an energetic young wait staff in black and white and straightforward decor.

It wasn't always so up-to-date. When Barnett first started serving pita sandwiches of foods seldom found in Little Rock, it was from a cramped grocery store in an old-apartment-building-turned-office-building a short drive from downtown. Only a small sheet metal sign on the outside of the building gave a clue to what was inside.

Barnett and a helper served the Oriental pepper steak, falafel or gyros sandwiches to a few tables set amid canned goods, spices and sauces from around the world. High volume was not expected, but that is what happened.

"We were located in an area close to the heart of downtown where the main interest was getting something for lunch," Barnett said. At the time the area thrived on typical Southern foods and hamburgers. Pita sandwiches were somewhat of a mystery.

Barnett closed the grocery aspect of the business and concentrated her efforts on the busy restaurant. Eventually she had to find bigger quarters and, encouraged by enthusiastic crowds, opened in a suburban shopping center and a downtown location as well. They offered a full range of international entrées for dinner and for lunch, which still featured the pita sandwiches.

The suburban spot in a small shopping center with no anchor department store never did fly and was closed last year, but the downtown International Bazaar, opened three years ago, did well from the start. It attracts a brisk downtown office crowd for lunch, and at night theater, ballet, and concert-goers jam the restaurant.

"I guess they are your typical yuppies who have traveled some," noted Barnett. "We're a little different for Little Rock." Recently movie crews from California have been filming in the area, and they have made International Bazaar their favored restaurant.

BARNETT'S special "excursions" feature culinary jaunts not only to the Orient (Vietnamese pork chops and eggrolls) but also to India (somosas, curry), the Middle East (Greek salad and lamb souvlaki) and to the world of vegetarians (houmous dip and stuffed grape leaves). They are the highest-priced entrées at $12.95 to $15.95.

Other entrées include a delicately spiced $10.95 Steak Rangoon, a $9.95 roasted game hen Bengal and a $12.95 Australian carpetbagger steak smothered with smoked oysters and mushrooms.

There is now a full bar, and beer, wine and liquor are served. In the early days when the operation opened, Barnett could not obtain even a beer and wine license because the building was located near a church and "this being Little Rock."

Rather than emphasizing wine, Barnett has singled out beer: More than two dozen imported beers are on the menu.

To boost bar business, Barnett is promoting the restaurant's wide variety of appetizers, including Spanish cheese empañadas, Vietnamese egg rolls, Indian somosas, Mid-East houmous dip and Oriental wontons, priced in the $2.50 range. Lately customers in the dining room have been ordering several appetizers instead of entrées, which is fine with Barnett, who said she may soon add a full line of Spanish tapas to the menu.

The small, 100-seat restaurant serves an average of 175 people for lunch during the week and 80 at dinner. But on Friday nights up to 250 show for lunch and another 120 arrive for dinner. Barnett projected 1986 sales at $350,000.

She may be all-American, but her interests are international. She majored in anthropology in college and married a native of Bangladesh. The couple traveled widely throughout India and Europe in their early years of marriage. Back in Little Rock, Barnett gave dinner parties that more often than not featured Indian foods.

She had trouble in finding certain spices and sauces in Little Rock, and that gave her the incentive to open a small grocery store stocked with such hard-to-find items. "It was a very unsophisticated attempt at business," she said. "The biggest hurdle was opening, and then it became a challenge to go on."

Barnett's head chef is anaunt whose specialty is Vietnamese food with an Oriental twist.

The Indian curry recipes, house favorites, are from her husband's aunt, who wrote a cookbook in her native country. And all the desserts are baked and prepared by Barnett's sister, who has received some notoriety for her cheese cake and Cajun chocolate layer cake.

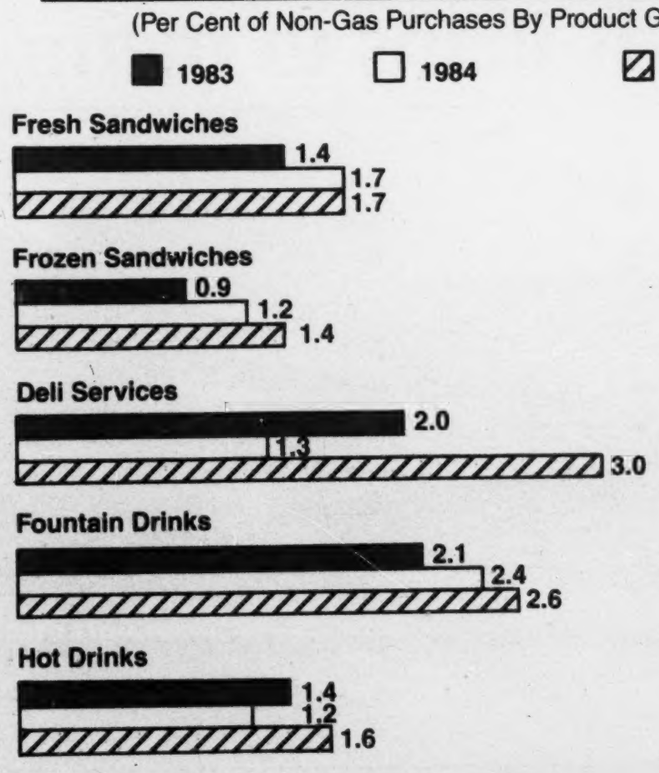
With profits stalled, Barnett, like any prudent restaurateur, is looking to other avenues to generate more revenue. And she has decided that take-out food and retail products could be that avenue.

So, returning to International Bazaar's roots, Barnett is working to boost a take-out business and is bottling the house Oriental sauce, yogurt and Greek dressings and selling them from baskets on the counter. Although retail take-out is just an initial attempt now, she admits that by turning to it she has become a full-fledged "grown up" restaurant owner. It rather surprises her.

NRN FACT FILE

CONVENIENCE STORE FAST FOOD FACTS

(Per Cent of Non-Gas Purchases By Product Group)



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Food service facing shortage of 1.1 million workers by 1995

WASHINGTON — Restaurant cashiers will be the most sought-after workers as the nation's food-service industry confronts a shortage of 1.1 million workers by 1995, according to a newly published report.

The food-service industry, which employed 158,000 cashiers in 1984, will need 216,000 of them by 1995, a 36.7% jump, the National Restaurant Association said.

The NRA projects in its latest bulletin to members that the industry's need for restaurant cooks and chefs will expand to 435,000 in 1995 from 331,000 in 1984, a 31.4% leap.

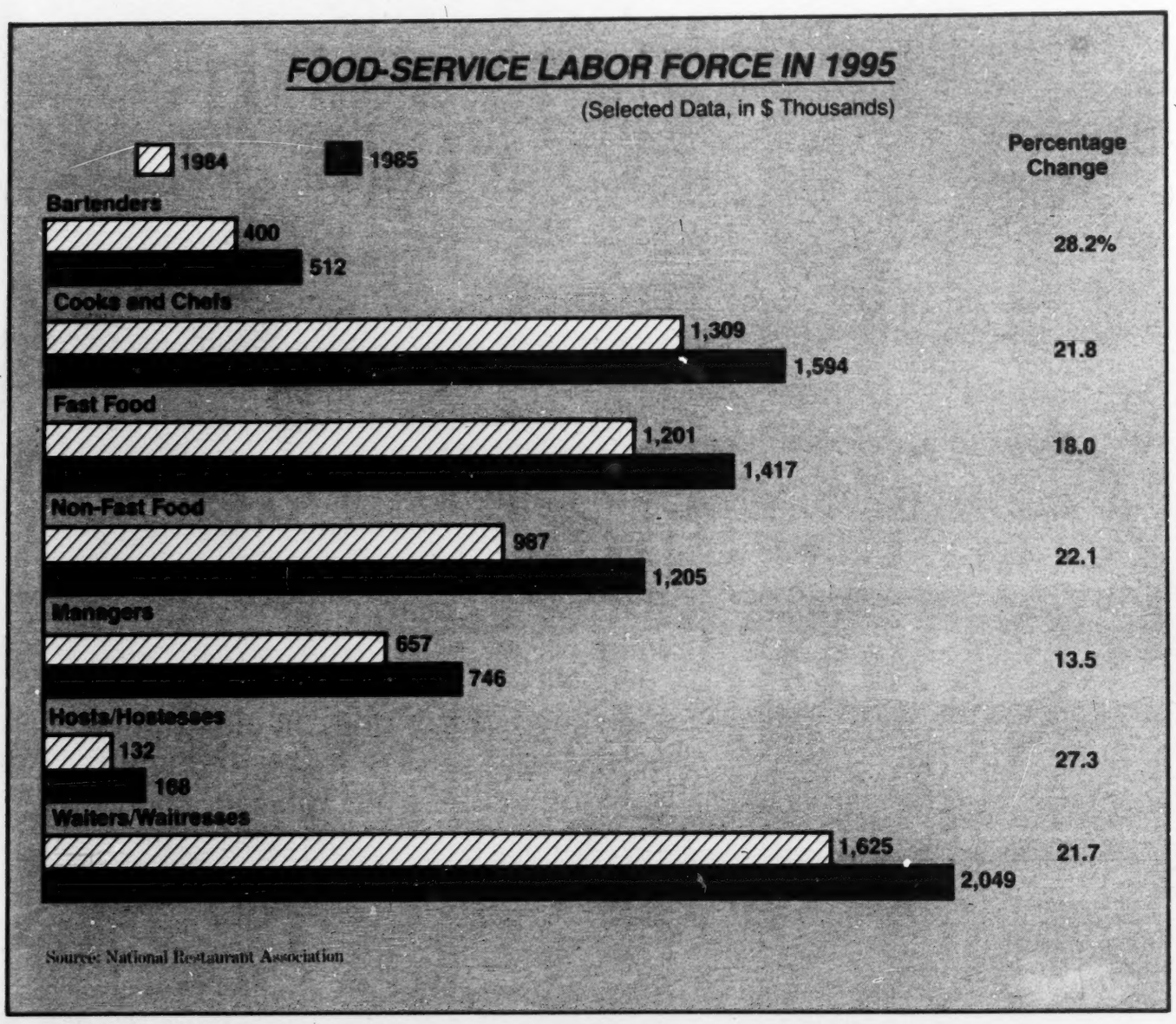
The need for bartenders will rise 29.8%, to 353,000 in 1995 from 272,000 in 1984, the NRA said in its June-July issue of its NRA News magazine.

The industry's labor shortages, which have already cropped up in high employment areas of the nation, are exacerbated by high turnover rates in food service, according to the report, which was prepared in conjunction with the consulting firm of Arthur D. Little Inc.

The NRA said the industry lost 31.5% of its workers in 1984, the most recent data available, which is twice the turnover rate for American business and industry.

Food counter and fountain workers and waiter and waitress assistants all demonstrated a 43% turnover rate, followed by kitchen workers' and waiters' and waitresses' 32% rates. Even supervisors had a 24% turnover rate, the NRA said.

In addition, the industry is facing a labor crisis because its employment rate will swell 21.7% over the next ten years, to 8.9 million persons, while overall employment increases only 14.9%, the NRA said.



U.S.-style brew flows in England

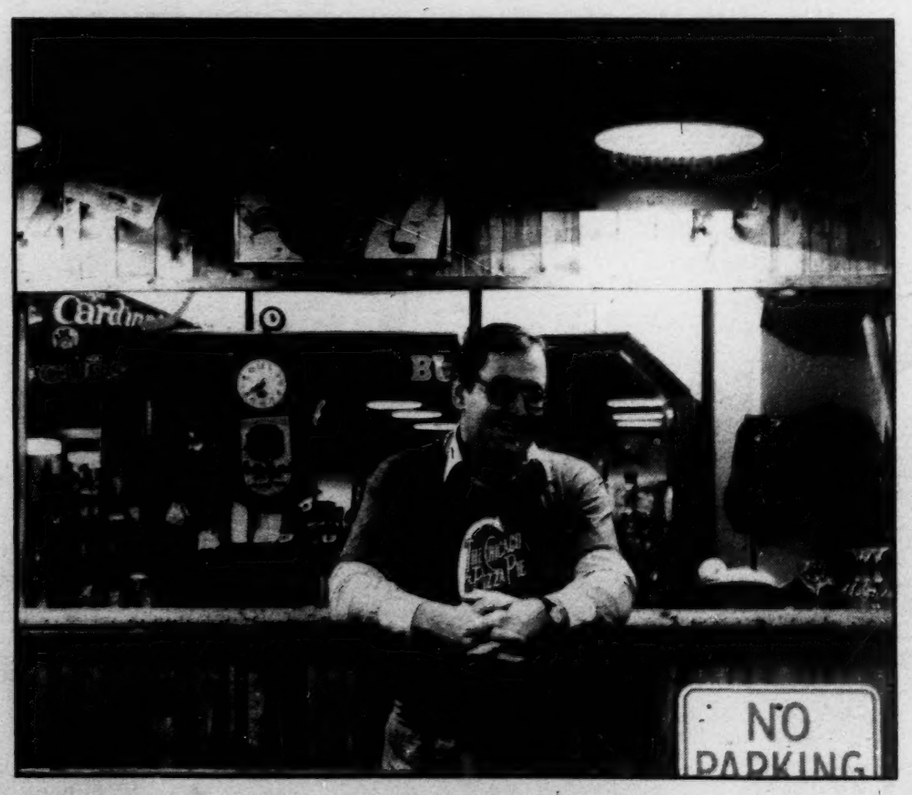
Payton develops 'Chicago Old Gold' for his restaurants

LONDON — First, entrepreneur Bob Payton taught Londoners the joys of Chicago-style pizza and ribs. Then, a bit more audaciously, the American-in-Europe opened his own fish and chips restaurant (Payton Plaice) and his own pub (Henry J. Bean's But His Friends All Call Him Hank Bar and Grill). Now Payton has rolled out a brew called Chicago Old Gold—his own brand of American-style beer—in his restaurants in England and Scotland.

"Everybody else is getting in on the American beer business. Why not me?" Payton declared. "When I was at J. Walter Thompson [advertising agency], I worked on a big beer account, so I know something about the product—more than I knew about restaurants when I started my first place."

Payton said that Chicago Old Gold, with bottles bearing a gold label, the City of Chicago seal and the motto "Go for GOLD," will be available only at his Chicago Pizza Pie Factory, the Chicago Rib Shack and Payton Plaice and three Henry J. Bean's in London and Aberdeen, Scotland. (Payton also owns the Chicago Pizza Pie Factory outlets in Paris and Barcelona and a Henry J. Bean's in Barcelona.)

Chicago Old Gold is an American-style beer brewed to Payton's specifications by a family brewery in Bedford, England, Payton said. It is priced at $1.85 a bottle.



Entrepreneur Bob Payton inside his Chicago Pizza Pie Factory in London where his new brew is being served.

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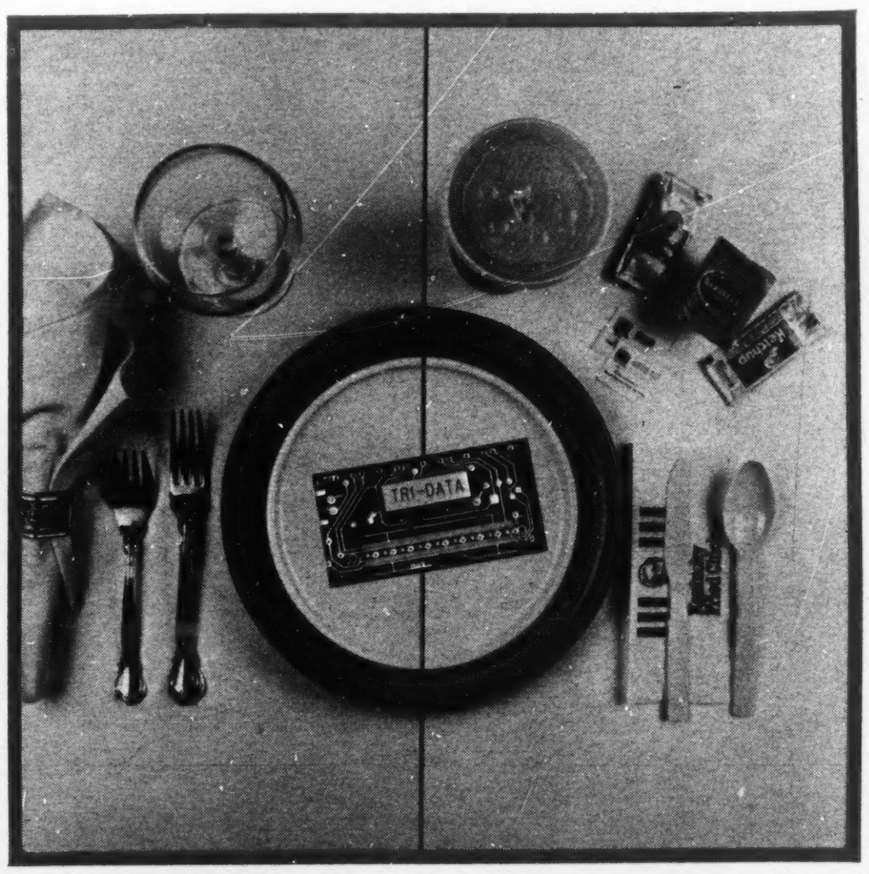

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Frozen yogurt popular again

(Continued from page 1)
riencing rapid growth are Everything Yogurt N.J., Penquin's Place Frozen Yogurt, J. Higby's Yogurt & Treat Shoppe and Heidi's Frozen Yogurt Shoppes.

"It's a very hot business right now," declared Richard Nicotra, chairman of the 70-unit Everything Yogurt, which opened its first store in Manhattan in 1976. "Our systemwide sales for fiscal 1986 were up about 30%, to $15 million, over last year's sales."

Dr. Homer Watts, chairman and chief executive of the nine-year-old, Dallas-based Zack's, estimated profits for the chain have more than tripled during the past year. "We've undergone a vast amount of expansion since February 1986," he said.

Segment leader TCBY's systemwide sales more than tripled from $11.5 million in fiscal 1984 to $34.1 million in 1985. And if expansion continues as planned into fiscal 1986, systemwide sales could top the $70 million mark.

IRONICALLY, this new wave of expansion closely follows the wild boom-and-bust period of the late 1970s, when hundreds of fledgling operators leaped into the then-burgeoning frozen yogurt market—only to be driven out of business when much of the public became bored and turned instead to the newer, calorie-laden superpremium ice cream.

The abrupt rise and fall of the segment led critics to conclude that frozen yogurt had been only the fad-of-the-moment. Proponents claim, however, that most earlier yogurt stores simply had been run by inexperienced operators who did not know how to prepare the product or merchandise it correctly.

"Frozen yogurt definitely went through a faddish stage with the public," said Bill Brice, chairman of the nine-year-old, Dallas-based I Can't Believe It's Yogurt (ICBIY). "But that's because most of those operators didn'tknow how to make a good frozen yogurt. It's made a comeback because of the improved product."

Nicotra agreed, adding the shakeout hit those operators who were not quality oriented. "All of the schlock operators are gone," he said. "Only the professionals survived."

TODAY'S YOGURT varies from being 95% to 98% fat and contains anywhere from one-third to one-half the calories ice cream does. The product is dispensed from soft-serve machines and, like ice cream, is available in cones, sundaes and shakes. More to the point, though, the chain s are saying that its flavor and texture is closer to that of ice cream than ever before.

In fact, TCBY's original name—This Can't Be Yogurt—was meant to reflect the similarity of the two products.

And clearly, the public seems to be coming back to frozen yogurt. According to Watts, a Zack's unit recently opened in Gonzales, La., grossed $1,500 the first day, while another franchisee in Brandon, Fla., did $1,600—all on check averages of about $2 per person.

But while the second wave of expansion is just beginning, some operators are already warning of intense competition in certain regions. "There are some areas where there is already saturation," Brice pointed out. "You couldn't come into California or Texas and expect to fly."

Nevertheless, all of the chains agree that there is still a lot of open territory left to be settled. "We have a long way to go before we reach the saturation point nationwide," Watts said.

BASICALLY, frozen yogurt chains are taking two different marketing approaches. Chains such as TCBY, Zack's, ICBIY, Penquin's Place and Heidi's offer a variation on the dip-shop theme, solely merchandising frozen yogurt instead of ice cream.

Most sell it in cones, waffles, shakes and sundaes with various toppings such as fresh fruit, crushed candy and cookies and nuts. TCBY even features specialty pies filled with frozen yogurt.

The second approach is to offer frozen yogurt *in addition* to other items. According to Michael Orth, chief financial officer of the Sacramento, Calif.-based J. Higby's Yogurt & Treat Shoppes, the chain's 29 stores sell premium quality ice cream, freshly baked cookies and five varieties of hotdogs besides frozen yogurt.

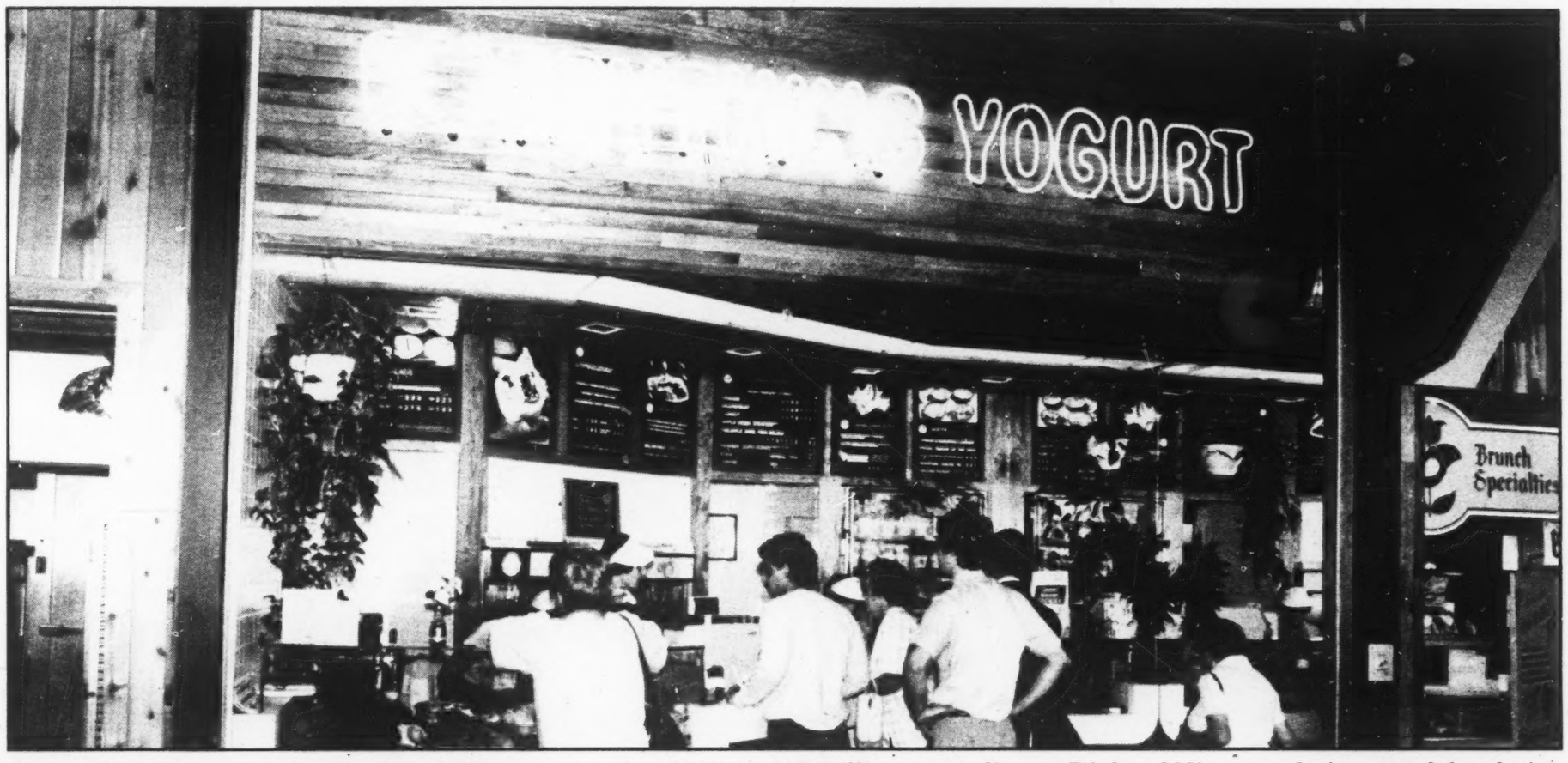
Everything Yogurt has an even fuller range of menu items. In addition to a selection of frozen yogurts, the chain features a variety of salads, quiches, soups, sandwiches and even a few main dishes, such as vegetarian lasagna and chicken with mixed vegetables in a curry dressing.

Nicotra stresses, in fact, that Everything Yogurt is not positioned as a "dessert or snack" concept. "We not going after Baskin-Robbins," he said. "We really don't want to be known as an ice cream alternative. We're not offering fudge or M&M's or Heath bars as toppings. We would rather market the product as a lunch alternative with fresh fruit or Granola."

Despite the wider menu mix, though, frozen yogurt accounts for about 65% of total sales for Everything Yogurt. The average per-person check tends to be slightly higher, ranging from $2.25 for mall units to $3.75 for downtown operations.

Stores for all of the chains tend to vary in size from 850 sq. ft. to about 1,500 sq. ft. Units offer anywhere from 30 to 110 seats.

In general, the average dip-shop store can gross between $110,000 to $150,000, although some achieve sales as high as $350,000. The extended-menu units often gross between $300,000 and $400,000, though one Everything Yogurt unit in Manhattan averages about $1 million annually.



Everything Yogurt's sales for fiscal 1986 were up about 30% to $15 million according to Richard Nicotra, chairman of the chain.

Kelly-Johnston to re-emerge

(Continued from page 2)
recalcitrance from franchisees as it attempted to force reforms.

From its founding in 1981 until it met cash flow problems in 1984, the company grew from nothing to a diversified restaurant company. Its founders, Mike Kelly and Joe Johnston, are credited with persuading Chi-Chi's founder, Marno McDermott, to launch a national chain.

Johnston is now seeking financing to expand a two-unit chain of Cajun restaurants called Magnolia Cafe. And Kelly has returned to his real-estate development business.

Koss was named chairman and president in July 1985, after joining the company as chief financial officer of the Duff's division. He had been director of acquisitions and divestitures at PepsiCo Inc.'s Pizza Hut chain.

IN ITS HEYDAY, Kelly-Johnston's operations included Duff's, 21 franchised Chi-Chi's, a five-unit chain of Joe Kelly's seafood dinnerhouses and a restaurant equipment factory.

Reincarnated as Aschling Inc., a name Koss said was rooted in the Gaelic word for "dream," the company now operates one remaining Joe Kelly's, 10 Chi-Chi's, the restaurant equipment factory and eight company-owned Duff's. Aschling also has the rights to the Duff's system, but at last count only 25 of 80 franchised Duff's restaurants were paying even renegotiated cut-rate royalties.

After posting earnings of $418,000 on revenue of $94.6 million in the year ended in March 1984, the trimmed-down company now projects cash flow of $149,000 on $32.8 million revenue in the coming year. Aschling will also own $40 million in tax credits stemming from its losses, which can be used to buoy aftertax profits for years.

Koss has trimmed annual overhead costs to about $2 million from $8.7 million last year by laying off workers, selling money-losing operations and halting expansion.

Creditors, not knowing which of the company's five subsidiaries to hold liable, initially flooded the bankruptcy court with claims totaling $260 million. Some $160 million in claims were found to have been filed at least twice.

In the end, creditors were divided into 13 distinct classes and offered combinations of cash, stocks and bonds.

"Usually you have three-way negotiations," said Koss, citing a company's management, a single creditor's committee and the court. "But here we had five different creditors' committees, all fighting with each other, in a seven-cornered deal."

In addition, the company's reorganization was stymied because the healthier subsidiaries were barred from aiding the weaker ones, Koss said. "Because of that," he explained, "we had to close or sell the Joe Kelly's. And I still think that concept could have made it."

D'Lites may seek protection

(Continued from page 3)
old Jeffrey Miller, a co-founder with Doug Sheley and the former president. Miller now owns L-K Restaurants, a 55-unit Ohio family restaurant chain, with Ronald Davis, a D'Lites franchisee. Miller was replaced as president by former Arby's top man Jeff McMahon. Financial chief Bliss Jones and executive vice president Raymond Biondi have also bailed out.

Sheley and Miller opened their first D'Lites restaurant in the Atlanta area in 1981 and quickly attracted widespread media attention because of their "healthy" menu.

Though D'lites' offered traditional fast-food menu selections, its niche was its appeal to nutrition-minded young adults. The chain said its burgers and other sandwich meats and cheeses had less fat and cholesterol than did similar offerings at competing fast-food chains. Sandwiches were served on multi-grain buns. And D'Lites' units sported huge salad bars—perhaps the best stocked in the fast-food industry—and a wide range of other items, including chicken, baked potatoes and breakfast muffins.

As D'lites grew rapidly to 100 units in 1985, it also attracted a lot of competitive attention. Other chains, notably Wendy's, made a pitch for the nutrition crowd through menu expansion and marketing. And salads and chicken items became fast-food standards; suddenly, D'Lites' point-of-difference was eroded.

In late 1985 some executives began fleeing the chain. Talk mounted about faltering sales and the inability of new units in areas outside Atlanta to match the $1 million average unit sales reported.

Problems and financial losses have mounted through the first half of this year.

FINANCIAL NEWS

NRN Stock Index sinks another 4.8 points

NEW YORK — The *Nation's Restaurant News* Stock Index, charting its second decline in a row, fell 4.8 points to 179.3 in the week ended July 18.

The Dow Jones Industrial Average closed at 1777.98, off 43.45 points, after market leader IBM posted an 8% earnings decline, aggravating fears of a sputtering economy.

Both the overall market and *NRN*'s value-weighted gauge of more than 80 restaurant issues have been backtracking since July 3, when the *NRN* index hit a record 196.1 and the Dow reached 1909.03.

On the full *NRN* stock listing, which includes hotels, motels and casinos, other companies with food-service operations and key manufacturers and distributors, price-losers outnumbered winners 125-to-26, with 15 unchanged.

Among only restaurant stocks, the losses were narrower, as three issues declined for every issue that advanced.

D'Lites of America led the the relative price-losers' list, sinking 56 cents, to $1.13, on volume 133% heavier than normal as 385,900 shares traded hands. D'Lites said it could face bankruptcy if it fails to find new capital.

Church's hit a 52-week low of $14.13, after falling $1.63 when it said poultry prices hit a ten-year high. Other 52-week lows included: JB's Restaurants at $1.63, Rusty Pelican at $7.25, Winners Corp. at $4.75, Chefs International at 22 cents, Folks Restaurants at 25 cents, and TGIF Texas at $1.75.

Among the most widely-held issues, McDonald's gained 50 cents, to $71.38. Wendy's lost $1.13, to $13.63. Ponderosa was off 50 cents, to $21.50. Chi-Chi's was down 63 cents, to $9.38.

Other bellweathers: Jerrico sank 25 cents, to $21.63. Collins declined $1, to $17. Luby's gained 75 cents, to $39.63. International Dairy Queen was off 25 cents, to $30.25. Morrison was down $1, to $21.38.

VOLUME TREND LEADERS

Restec	O	865.4	Holiday Cp	N	143.0
Cucos Inc	O	415.7	DLites Of Amer	M	132.8
Sandwich Chef	M	224.5	Fort How Pap	N	125.8
Fast Food Oper	O	208.1	Anchor Hocking	N	116.4
Prime Mtr Inn	N	162.7	Pizza Inn	A	111.5

TOP PERCENTAGE PRICE GAINERS

Fast Food Oper	O	38.5	Assoc Hosts	M	5.6
Swensens Inc	O	15.8	TCBY Enterprises	M	3.6
Flakey Jakes	M	7.7	Naugles Inc	M	2.7
Cucos Inc	O	6.3	Frisch's	A	2.2
Twistee Treat	O	6.3	Luby's Cafe	N	1.9

TOP PERCENTAGE PRICE LOSERS

DLites Of Amer	M	- 33.3	Old Spag Wrehse	M	- 12.0
Chefs Intl	O	- 30.0	El Chico	M	- 11.9
Hamburg Hamlet	O	- 20.7	Brock Hotel Cp	N	- 11.7
Ritzys G D	M	- 20.0	Winners Cp	N	- 11.6
JB Restaurant	M	- 12.5	Bridgford Fds	M	- 11.1

All figures represent weekly percentage change

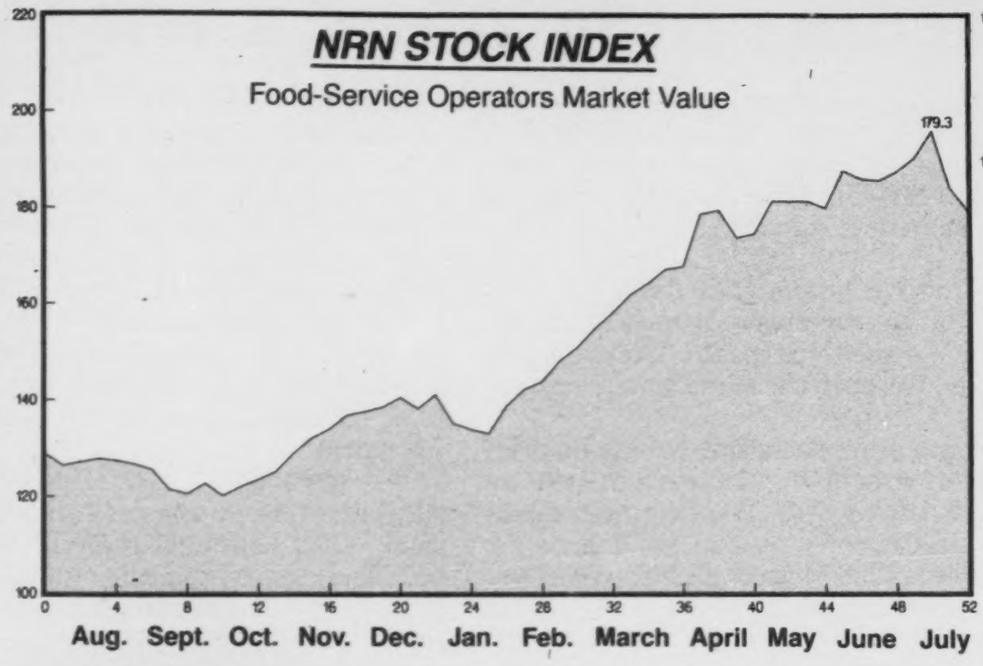
Stock Market — Price: 7-18-86 Close; Weekly Change: Amt., Pct.; Weekly Range: High, Low; 52-Week Range: High, Low; Volume: Weekly Shares Traded: Total, % Out; 12-Week Avg. Vol. As % Out; Volume Trend Change

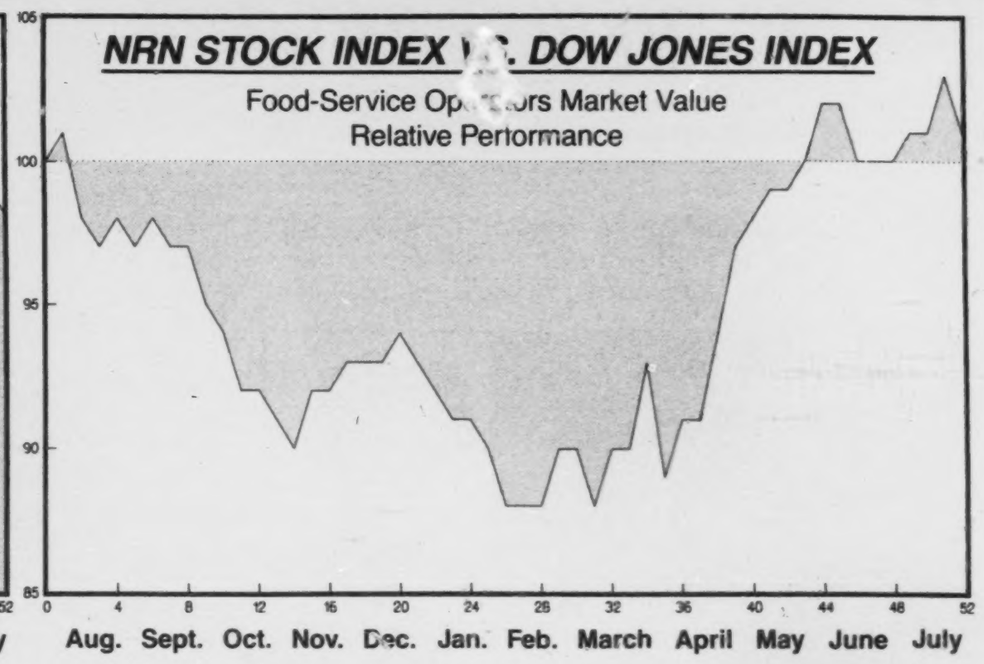
Financial Update — P/E Ratio; Indicated Divt. Rate: Amt., Yld.; Latest Report: New Report, Period, Date Ended; Latest Quarter: Revenue (Latest, Yr. Ago), Net Income (Latest, Yr. Ago), E.P.S. (Latest, Yr. Ago); Year-to-Date: Revenue (Latest, Yr. Ago), Net Income (Latest, Yr. Ago), E.P.S. (Latest, Yr. Ago)

Company and Market	7-18-86 Close	Weekly Change Amt.	Weekly Change Pct.	Weekly Range High	Weekly Range Low	52-Week Range High	52-Week Range Low	Weekly Shares Traded Total	Weekly Shares Traded % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divt. Rate Amt.	Indicated Divt. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Latest	Latest Quarter Revenue Yr. Ago	Latest Quarter Net Income Latest	Latest Quarter Net Income Yr. Ago	Latest Quarter E.P.S. Latest	Latest Quarter E.P.S. Yr. Ago	Year-to-Date Revenue Latest	Year-to-Date Revenue Yr. Ago	Year-to-Date Net Income Latest	Year-to-Date Net Income Yr. Ago	Year-to-Date E.P.S. Latest	Year-to-Date E.P.S. Yr. Ago
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	$Mil	$Mil	$Mil	$	$	$Mil	$Mil	$Mil	$Mil	$	$
Restaurants - NRN Stock Index Issues																													
Am Restaurants M	3.13	- .25	- 7.4	3.31	3.13	4.13	2.25	87	.38	.39	- 2.6	NE	.00	.0	.....	fiscal	01-86	5.0	4.5	(.4)	NC	(.21)	.01	20.8	18.1	(.5)	.3	(.23)	.13
Assoc Hosts M	9.50	.50	5.6	9.50	8.88	14.50	7.38	443	1.00	1.72	- 41.9	38.0	.12	1.3	.....	6 mos.	03-86	21.1	22.9	.3	.7	.06	.16	42.3	45.4	.5	1.4	.11	.32
Bob Evans Farms M	26.50	.25	1.0	26.50	26.25	29.00	17.94	1,133	.62	.78	- 20.5	23.0	.30b	1.1	.....	fiscal	04-86	65.5	56.7	4.9	4.4	.27	.25	262.7	227.7	20.6	18.1	1.15	1.01
Cainy Food M	8.38	- .88	- 9.5	8.88	8.00	16.00	8.38	3,063	6.55	4.43	47.9	19.0	.16	1.9	.....	3 mos.	05-86	17.5	13.6	.2	.9	.05	.19	17.5	13.6	.2	.9	.05	.19
Capt Crab M	1.00	- .06	- 5.9	1.06	0.94	1.69	.69	1,917	1.23	1.86	- 33.9	NE	.00	.0	.....	9 mos.	05-86	2.7	1.9	.1	(.3)	.01	(.02)	7.5	5.2	.1	(1.4)	.01	(.10)
Carrols Cp N	9.38	- .63	- 6.3	10.00	9.38	11.00	6.50	881	1.13	1.33	- 15.0	28.4	.10	1.1	.....	9 mos.	02-86	35.4	34.3	(.2)	.9	(.02)	.12	113.1	108.3	1.8	4.8	.24	.62
Chefs Intl O	.22	- .09	- 30.0	0.31	0.22	.69	.22	1,459	.75	.36	108.3	NE	.00	.0	.....	fiscal	01-86	4.4	4.0	(.9)	(1.8)	(.04)	(.09)	20.5	20.9	(1.2)	(2.7)	(.06)	(.14)
Chi-Chi's M	9.38	- .63	- 6.3	9.75	9.13	13.00	7.75	20,906	7.73	5.81	33.0	18.4	.00	.0	.....	9 mos.	01-86	70.8	49.5	2.1	2.6	.08	.10	200.6	143.8	10.1	12.1	.38	.45
Chili's Inc M	23.00	- 1.63	- 6.6	24.63	22.63	28.63	17.50	1,700	3.26	4.39	- 25.7	25.6	.00	.0	.....	9 mos.	03-86	25.8	17.3	.8	.8	.16	.17	75.6	48.3	3.1	2.7	.60	.58
Churchs Fr Ch N	14.13	- 1.63	- 10.3	15.63	14.13	20.00	14.13	6,759	1.79	2.99	- 40.1	25.7	.46	3.3	.....	3 mos.	03-86	103.2	116.3	5.3	7.9	.14	.21	103.2	116.3	5.3	7.9	.14	.21
Collins Foods N	17.00	- 1.00	- 5.6	18.38	16.38	19.38	11.50	3,668	1.84	1.98	- 7.1	51.5	.12	.7	.....	fiscal	04-86	133.5	124.9	(7.5)	4.4	(.37)	.22	532.0	468.6	6.7	18.3	.33	.92
Concept Dev M	7.50	- .50	- 6.3	8.00	7.50	12.25	2.00	514	.98	4.91	- 80.0	NE	.00a	.0	.....	9 mos.	03-86	7.9	9.0	(13.5)	(1.2)	(2.56)	(.23)	25.8	29.4	(16.6)	(1.2)	(3.16)	(.23)
Consol Prods M	3.25	- .13	- 3.7	3.25	3.13	4.00	2.38	181	.56	.49	14.3	NE	.08	2.5	.....	6 mos.	03-86	24.4	18.6	(.2)	NC	(.06)	(.02)	43.8	33.8	(.5)	.3	(.17)	.08
Consul Restaurant M	3.00	- .25	- 7.7	3.13	2.63	4.63	1.50	682	1.42	2.62	- 45.8	NE	.00	.0	.....	9 mos.	02-86	18.1	21.0	(.6)	(3.3)	(.12)	(.72)	58.5	63.0	(1.6)	(3.7)	(.34)	(.82)
Cracker Barrel M	16.50	- 1.50	- 8.3	17.50	16.50	22.25	10.25	221	.62	1.07	- 42.1	17.6	.14	.8	.....	9 mos.	04-86	19.2	16.0	.6	.3	.19	.07	56.9	46.8	1.7	.9	.49	.26
Cucos Inc O	4.25	.25	6.3	4.75	4.25	9.25	4.00	456	2.63	.51	415.7	35.4	.00	.0	.....	9 mos.	03-86	2.6	1.6	(.1)	.1	(.03)	.04	7.9	4.8	.1	.2	.07	.11
DLites Of Amer M	1.13	- .56	- 33.3	2.00	0.88	10.38	.88	3,859	7.66	3.29	132.8	NE	.00	.0	.....	9 mos.	12-85	5.4	2.8	(3.7)	.2	(.72)	.04	16.2	7.5	(6.9)	.3	(1.34)	.09
Dunkin Donuts M	31.75	.50	1.6	32.00	31.00	37.38	21.50	1,096	1.52	2.43	- 37.4	20.6	.28	.9	.....	6 mos.	04-86	27.1	23.5	3.2	2.8	.43	.38	53.3	46.2	6.3	5.4	.85	.74
El Chico M	6.50	- .88	- 11.9	6.75	6.50	12.50	6.00	951	2.05	1.01	103.0	9.3	.00	.0	.....	9 mos.	02-86	13.7	20.6	.4	.9	.09	.19	65.7	61.8	2.0	2.7	.43	.58
El Pollo Asa O	6.63	.00	.0	6.75	6.38	8.38	4.13	532	3.15	3.81	- 17.3	NM	.00	.0	.....	fiscal	03-86	1.3	.7	.0	NC	(.01)	.01	4.8	2.5	.1	(.5)	.03	(.26)
El Torito Rest N	17.75	- 1.38	- 7.2	19.13	16.00	20.50	9.00	4,014	3.61	1.78	102.8	19.7	.08	.5	.....	3 mos.	03-86	91.7	65.4	1.9	2.2	.17	.19	91.7	65.4	1.9	2.2	.17	.19
Famous Rest M	2.13	- .06	- 2.9	2.19	2.13	2.88	1.25	256	.43	1.93	- 77.7	NE	.00	.0	.....	3 mos.	03-86	18.3	16.3	.2	.4	.03	.07	18.3	16.3	.2	.4	.03	.07
Fast Food Oper O	.56	.16	38.5	0.63	0.41	1.00	.28	677	1.14	.37	208.1	28.1	.00	.0	.....	fiscal	12-85	2.2	2.0	.0	NC	.00	NC	8.1	8.0	.1	.2	.02	.03
Flakey Jakes M	.88	.06	7.7	0.94	0.75	6.00	.63	1,087	1.56	1.37	13.9	NE	.00	.0	.....	3 mos.	03-86	5.0	5.3	(.7)	(.5)	(.10)	(.07)	5.0	5.3	(.7)	(.5)	(.10)	(.07)
Folks Rest O	.25	.00	.0	0.63	0.25	2.25	.25	10	.07	.16	- 56.3	NE	.00	.0	.....	3 mos.	03-86	1.1	1.7	(.8)	(.3)	(.50)	(.18)	1.1	1.7	(.8)	(.3)	(.50)	(.18)
Frisch's A	40.13	.88	2.2	40.13	37.25	41.25	19.59	217	.48	.46	4.3	52.8	.22b	.5	.....	9 mos.	03-86	28.4	27.2	.2	.4	.04	.10	98.5	96.8	1.7	3.3	.38	.73
Fuddruckers Inc M	3.88	.00	.0	3.88	3.63	8.75	3.63	2,104	3.11	3.68	- 15.5	NE	.00	.0	.....	3 mos.	03-86	16.4	10.1	(2.0)	.1	(.29)	.02	16.4	10.1	(2.0)	.1	(.29)	.02
Hamburg Hamlet O	5.75	- 1.50	- 20.7	7.00	5.75	7.75	3.19	229	.68	1.49	- 54.4	9.6	.05b	.9	.....	fiscal	03-86	10.7	9.9	.6	.3	.26	.08	38.9	38.6	1.7	1.4	.60	.44
Int Dairy Queen M	30.25	- .25	- .8	31.50	30.00	35.50	11.59	940	.99	.85	16.5	32.5	.00	.0	.....	3 mos.	02-86	36.4	27.2	1.2	.8	.03	.08	36.4	27.2	1.2	.8	.03	.08
Intl King Tab M	24.50	- 2.00	- 7.5	25.50	24.25	30.00	14.88	398	1.38	2.84	- 51.4	16.2	.00a	.0	.....	9 mos.	03-86	28.9	24.3	1.5	1.5	.50	.48	64.8	61.7	3.2	3.3	1.10	1.11
JB Restaurant M	6.13	- .88	- 12.5	6.88	6.13	14.25	6.13	678	1.39	2.77	- 49.8	NE	.00	.0	.....	6 mos.	03-86	23.9	18.0	(4.2)	.3	(.85)	.07	47.4	36.7	(4.6)	.9	(.94)	.24
Jerrico Inc M	21.63	- .25	- 1.1	21.88	21.38	26.38	13.97	5,241	2.49	3.40	- 26.8	17.9	.12	.6	.....	9 mos.	03-86	136.9	122.3	5.8	4.3	.27	.20	416.9	377.6	18.1	14.7	.85	.70
Kapok Cp A	5.13	.00	.0	5.63	5.13	5.88	3.00	149	.58	.92	- 37.0	NE	.00	.0	.....	6 mos.	03-86	4.0	3.0	.0	(.1)	.00	(.06)	6.5	4.9	(.5)	3.8	(.21)	1.61
Karcher Carl M	17.00	- .63	- 3.5	17.63	16.88	20.50	14.00	977	1.38	1.83	- 24.6	23.6	.00	.0	NEW	3 mos.	04-86	90.5	95.5	.9	.8	.12	.11	90.5	95.5	.9	.8	.12	.11
Lifestyle Rest A	1.44	- .06	- 4.2	1.50	1.38	2.25	1.31	225	.40	.48	- 16.7	NE	.00	.0	.....	6 mos.	04-86	23.2	24.6	(1.0)	(1.7)	(.17)	(.29)	40.7	41.7	(1.4)	(4.2)	(.25)	(.73)
Luby's Cafe N	39.63	.75	1.9	39.88	37.63	43.63	32.00	1,066	.88	.88	29.4	22.5	.60	1.5	.....	9 mos.	05-86	55.6	52.5	5.9	5.5	.49	.45	157.8	144.5	15.6	13.8	1.29	1.14
Marcus Corp M	27.75	- .50	- 1.8	28.00	27.00	29.75	15.88	333	.85	1.64	- 60.4	18.3	.33	1.2	.....	9 mos.	02-86	28.9	27.2	.8	.8	.15	.16	97.2	90.9	6.2	5.6	1.20	1.10
Marriott Corp M	31.13	- .75	- 2.4	32.00	29.75	38.19	17.50	26,261	2.00	1.40	42.9	23.2	.13	.4	NEW	6 mos.	06-86	1089.5	1002.3	52.1	43.1	.38	.32	2121.0	1876.5	86.3	70.8	.63	.53
Maverick Rest M	1.88	- .13	- 6.3	1.88	1.63	3.13	1.13	15	.03	.32	- 90.6	NE	.00	.0	.....	3 mos.	04-86	3.5	3.1	.0	NC	.01	NC	3.5	3.1	.0	NC	.01	NC
Max & Erma's O	2.00	.00	.0	2.38	2.00	2.75	.88	88	.49	.43	14.0	NE	.00	.0	.....	6 mos.	04-86	3.9	3.8	(.1)	NC	(.06)	.02	9.0	8.6	(.3)	.1	(.16)	.05
McDonald's Cp N	71.38	.50	.7	72.75	67.75	76.75	41.53	23,065	1.80	1.45	24.1	20.9	.66	.9	.....	3 mos.	03-86	941.4	808.6	94.1	84.3	.73	.64	941.4	808.6	94.1	84.3	.73	.64
McFaddin Ven A	4.13	- .13	- 2.9	4.38	4.00	11.25	3.75	108	.20	.31	- 35.5	11.8	.00	.0	.....	6 mos.	05-86	17.8	16.6	.4	1.4	.05	.30	35.7	29.8	.4	2.6	.06	.55
Morrison Inc M	21.38	- 1.00	- 4.5	22.38	21.13	25.22	16.78	2,364	1.65	1.77	- 6.8	16.2	.48b	2.2	.....	fiscal	05-86	139.4	120.5	4.7	3.2	.32	.23	524.4	478.8	19.1	17.6	1.32	1.23
Mortonics Inc A	1.75	- .13	- 6.7	1.88	1.75	2.75	1.13	198	.39	1.30	- 70.0	43.8	.00	.0	.....	3 mos.	05-86	4.0	5.4	.1	(.2)	.01	(.04)	4.0	5.4	.1	(.2)	.01	(.04)
Mr Steak O	.75	- .06	- 7.7	0.94	0.75	2.00	.63	221	.46	1.29	- 64.3	NE	.00	.0	.....	6 mos.	03-86	8.6	.9	(.2)	(.2)	(.05)	(.05)	14.6	14.8	(.5)	(.1)	(.10)	(.03)
Nathans M	4.88	- .13	- 2.5	4.88	4.63	5.00	3.38	93	.41	1.43	- 71.3	20.3	.05	1.0	.....	fiscal	03-86	4.1	4.5	(.4)	(.2)	(.19)	(.07)	22.9	21.7	.6	.7	.24	.32
Nat'l Pizza M	16.75	- .25	- 1.5	16.75	15.25	18.00	8.53	2,046	2.75	1.79	53.6	23.6	.00	.0	.....	fiscal	03-86	15.9	10.1	1.2	.8	.15	.11	63.1	40.5	5.4	3.6	.71	.53
Naugles Inc M	4.75	.13	2.7	4.75	4.50	6.00	1.38	969	2.19	2.65	- 17.4	NE	.00	.0	.....	9 mos.	03-86	28.0	27.4	(26.6)	(2.0)	(6.02)	(.44)	95.8	93.3	(30.8)	(1.7)	(6.96)	(.36)
Noble Roman O	6.00	.00	.0	6.50	6.00	7.75	4.50	0	.00	.38	-100.0	NE	.00	.0	.....	fiscal	12-85	5.1	4.4	(.9)	NC	(.69)	.03	20.9	17.8	(1.3)	.1	(1.06)	.12
Old Fashion Fd M	4.75	- .13	- 2.6	5.00	4.50	5.75	4.25	89	.50	.57	- 12.3	7.9	.00	.0	.....	9 mos.	02-86	3.6	3.5	.1	.2	.10	.10	11.0	10.3	.4	.5	.31	.34
Old Spag Wrehse M	5.50	- .75	- 12.0	6.38	5.50	8.25	4.88	30	.20	2.34	- 91.5	14.9	.00	.0	.....	9 mos.	03-86	3.8	3.3	.1	.2	.05	.16	11.0	9.8	.3	.4	.20	.39
Pancho Mex Buffet M	11.88	- .88	- 6.9	12.50	11.88	14.25	6.13	1,067	2.87	1.73	65.9	19.8	.13	1.1	.....	6 mos.	03-86	10.0	8.5	.5	.4	.13	.11	19.2	16.4	.9	.6	.23	.20
Piccadilly Caf M	21.25	- 1.75	- 7.6	23.00	21.00	24.81	13.06	1,503	1.59	.76	109.2	18.5	.48	2.3	.....	9 mos.	03-86	49.7	44.0	2.3	1.3	.24	.13	153.3	136.8	8.3	7.0	.88	.74
Pizza Inn A	10.25	.13	1.2	10.38	9.88	10.38	6.25	1,173	3.85	1.82	111.5	NE	.08	.8	.....	3 mos.	03-86	48.7	47.7	(.1)	.1	(.05)	.04	48.7	47.7	(.1)	.1	(.05)	.04
Pizza Transit Auth O	1.25	.00	.0	1.50	1.25	2.63	.88	41	.18	1.35	- 86.7	NE	.00	.0	.....	6 mos.	02-86	.2	.2	(.4)	(.1)	(.15)	(.04)	.5	.4	(.6)	(.2)	(.26)	(.09)
Po-Folks M	7.38	- .13	- 1.7	7.50	7.13	14.75	7.25	297	.67	.93	- 28.0	NM	.00	.0	.....	6 mos.	03-86	39.0	30.2	(2.0)	.2	(.43)	.03	77.5	60.5	(2.8)	.8	(.62)	.18
Ponderosa N	21.50	- .50	- 2.3	22.13	19.63	26.00	10.50	3,579	3.69	4.68	- 21.2	24.4	.40	1.9	.....	3 mos.	05-86	132.9	117.2	5.5	.8	.57	.08	132.9	117.2	5.5	.8	.57	.08
Primo Inc O	1.50	- .06	- 4.0	1.88	1.50	2.38	.88	190	.58	.79	- 29.1	NE	.00	.0	.....	6 mos.	03-86	1.5	.8	.0	.1	.01	.03	2.8	1.8	.1	.2	.02	.07
RAX Restaurants M	7.63	- .25	- 3.2	7.88	7.63	9.75	5.00	580	.81	.88	17.4	NE	.00	.0	.....	9 mos.	04-86	29.5	27.2	(.2)	(.4)	(.02)	(.06)	90.9	81.3	(.2)	NC	(.02)	(.01)
Rest Assoc A	9.88	- .38	- 3.7	10.13	9.50	12.00	4.50	124	.45	.90	- 50.0	10.9	.00	.0	.....	3 mos.	03-86	40.8	33.2	.3	(.3)	.07	(.09)	40.8	33.2	.3	(.3)	.07	(.09)
Rest Mgmt M	15.75	- 1.00	- 6.0	16.75	15.75	17.88	10.50	169	.55	2.34	- 76.5	23.5	.09	.6	.....	6 mos.	04-86	9.3	8.3	.5	.5	.18	.18	20.7	18.2	1.1	1.0	.37	.39
Restec O	2.75	.00	.0	3.50	2.75	3.75	2.75	450	2.51	.26	865.4	NE	.00	.0	.....	6 mos.	12-85	1.6	1.2	(.2)	NC	(.07)	(.01)	3.2	2.3	(.2)	NC	(.09)	(.02)
Ritzys G D M	1.50	- .38	- 20.0	1.75	1.50	2.75	.94	134	.26	.92	- 71.7	NE	.00	.0	.....	3 mos.	03-86	2.1	3.0	(.4)	(.7)	(.06)	(.13)	2.1	3.0	(.4)	(.7)	(.06)	(.13)
Rusty Pelican M	7.50	- .25	- 3.2	7.75	7.50	16.88	7.50	179	.63	3.32	- 81.0	19.2	.00	.0	.....	9 mos.	04-86	13.8	13.0	(.6)	.6	(.20)	.24	41.0	34.5	(.2)	1.1	(.05)	.42
Ryans Family M	21.00	- 1.25	- 5.6	22.50	21.00	23.75	6.78	11,998	7.34	3.53	107.9	42.0	.00	.0	NEW	6 mos.	06-86	25.5	12.4	2.7	1.3	.16	.08	46.7	22.9	5.0	2.4	.30	.15
Saga Corp N	38.38	.00	.0	0.00	23.97	39.63	20.75	0	.00	7.46	-100.0	26.6	.52	1.3	.....	9 mos.	03-86	351.6	327.3	4.1	7.6	.32	.57	1039.1	933.0	16.9	27.0	1.32	2.02
Sandwich Chef M	8.50	.13	1.5	8.50	8.25	9.88	7.50	600	4.90	1.51	224.5	15.7	.00	.0	.....	9 mos.	03-86	7.6	7.2	.2	.2	.14	.13	22.0	21.2	.5	.5	.37	.40
Sbarro Inc A	16.75	.13	.8	17.00	15.13	20.13	5.56	1,889	2.19	2.10	4.3	32.2	.00	.0	.....	3 mos.	03-86	10.1	5.7	.7	.3	.09	.06	10.1	5.7	.7	.3	.09	.06
Sea Galley M	3.38	- .25	- 6.7	3.63	3.38	7.50	3.00	360	1.20	1.83	- 26.4	NE	.00	.0	.....	6 mos.	06-86	14.1	15.3	.1	.3	.03	.13	28.9	29.9	.1	2.3	.04	.70
Shoney's Inc M	34.63	.13	.4	35.25	34.25	38.50	24.00	2,783	.97	1.38	- 28.7	24.6	.16	.5	.....	6 mos.	04-86	148.9	126.1	10.8	8.9	.37	.31	318.6	276.6	20.7	17.2	.71	.60
Shoney's South M	16.00	.13	.8	16.00	15.63	18.63	10.00	446	.77	2.09	- 63.2	15.8	.00	.0	.....	3 mos.	03-86	55.8	50.1	1.3	.9	.22	.15	55.8	50.1	1.3	.9	.22	.15
SIS Cp M	6.25	- .50	- 7.4	6.75	6.25	7.00	4.25	14	.09	.26	- 65.4	89.3	.00	.0	NEW	3 mos.	03-86	3.3	2.5	.0	(.1)	(.02)	(.09)	3.3	2.5	.0	(.1)	(.02)	(.09)
Sizzler Rest Intl M	24.75	- 1.75	- 6.6	26.25	24.25	27.75	12.25	1,746	1.70	2.12	- 19.8	21.7	.00	.0	.....	fiscal	04-86	48.5	42.6	3.5	2.9	.33	.26	182.8	159.5	11.8	9.9	1.14	.97
Skippers M	10.13	- .13	- 1.2	10.13	10.00	11.88	8.75	352	1.29	2.04	- 36.8	42.2	.08	.8	.....	3 mos.	03-86	18.2	15.4	.2	.5	.09	.17	18.2	15.4	.2	.5	.09	.17
So Hospitality M	4.38	- .38	- 7.9	4.75	4.38	5.63	3.75	574	1.15	1.99	- 42.2	21.9	.00	.0	.....	fiscal	05-86	12.8	9.4	.5	.7	.09	.15	50.3	38.7	1.0	1.7	.20	.35
Stuff Yer Face O	.19	.00	.0	0.25	0.19	.94	.19	78	.06	.47	- 88.4	NE	.00	.0	.....	6 mos.	03-86	.9	.5	(.2)	(.1)	(.01)	NC	1.7	1.0	(.3)	(.2)	(.02)	(.01)
Swensens Inc O	1.38	.19	15.8	1.56	1.25	2.50	.88	337	.75	.85	15.4	NE	.00	.0	.....	fiscal	12-85	2.0	6.5	(.3)	(2.0)	(.08)	(.48)	10.0	11.4	(.5)	(1.8)	(.11)	(.43)
Taco Villa M	3.25	- .25	- 7.1	3.75	3.25	6.25	2.75	31	.04	.17	- 76.5	NE	.00	.0	.....	3 mos.	03-86	20.8	15.2	(.4)	(.2)	(.04)	(.02)	26.8	15.2	(.4)	(.2)	(.04)	(.02)
Taco Viva M	2.13	- .25	- 10.5	2.38	2.13	5.75	2.00	477	1.41	1.17	20.5	NE	.00	.0	.....	9 mos.	02-86	4.6	5.5	(.1)	.2	(.01)	.10	15.6	17.7	(1.3)	.9	(.36)	.27
TGI Friday's N	9.00	- .13	- 1.4	9.88	9.00	10.63	6.88	1,438	1.27	.86	92.4	23.1	.00	.0	.....	3 mos.	03-86	83.7	76.3	1.0	3.4	.06	.19	83.7	76.3	1.0	3.4	.06	.19
TGIF Texas O	1.75	.00	.0	2.25	1.75	2.00	1.75	5	.03	.05	- 40.0	NE	.00	.0	.....	fiscal	12-85	3.1	3.2	(.2)	(.2)	(.14)	(.12)	12.9	11.5	(.8)	(.5)	(.52)	(.32)
TCBY Enterprises M	36.25	1.25	3.6	37.00	32.75	59.25	7.78	6,009	5.46	7.52	- 27.4	80.6	.00	.0	.....	6 mos.	05-86	8.3	4.3	2.0	.8	.18	.06	12.9	6.3	2.9	1.0	.25	.10
Transworld N	31.00	- 2.88	- 8.5	33.63	30.38	35.00	23.94	14,941	2.95	1.86	58.6	8.3	.40	1

FINANCIAL NEWS

NOTES AND EXPLANATIONS: Market: N—New York Stock Exchange. A—American Stock Exchange. O—NASDAQ Over-The-Counter. M—NASDAQ National Market. **Reporting Period:** 3 mos.—First quarter of fiscal year. 6 mos.—First six months of fiscal year. 9 mos.—First nine months of fiscal year. fiscal—Fiscal year. NEW—New report since last issue. **General Field Footnotes:** NA—Not available or not applicable. NC—Data required for calculation currently incomplete in our files. NE—Negative earnings invalidate calculations. NM—No meaningful figure. a—stock dividend. b—cash plus stock dividend. **The Charts:** The *NRN* Stock Index calculates the per cent change in the market value of food-service operators since Oct. 28, 1983. The *NRN* Stock Index vs. Dow Jones Index calculates the relative performance of the two indexes from their levels of 52 weeks ago.




NRN STOCK INDEX VS. DOW JONES INDEX
Food-Service Operators Market Value
Relative Performance
105
100
95
90
85
0 4 8 12 16 20 24 28 32 36 40 44 48 52
Aug. Sept. Oct. Nov. Dec. Jan. Feb. March April May June July

Source: Media General Financial Services

Oct. 28, 1983 = 100

Company and Market	7-18-86 Close	Weekly Change Amt.	Weekly Change Pct.	Weekly Range High	Weekly Range Low	52-Week Range High	52-Week Range Low	Weekly Shares Traded Total	Volume % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Latest	Latest Quarter Revenue Yr. Ago	Latest Quarter Net Income Latest	Latest Quarter Net Income Yr. Ago	Latest Quarter E.P.S. Latest	Latest Quarter E.P.S. Yr. Ago	Year-to-Date Revenue Latest	Year-to-Date Revenue Yr. Ago	Year-to-Date Net Income Latest	Year-to-Date Net Income Yr. Ago	Year-to-Date E.P.S. Latest	Year-to-Date E.P.S. Yr. Ago
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	$Mil	$Mil	$Mil	$	$	$Mil	$Mil	$Mil	$Mil	$	$
Hotels, Motels, and Casinos																													
Brock Hotel Cp N	8.50	- 1.13	- 11.7	9.88	7.75	137.50	6.25	1,596	60.00	35.94	66.9	NE	.00	.0	.....	3 mos.	03-86	49.0	66.8	1.2	7.5	4.00	26.50	49.0	66.8	1.2	7.5	4.00	26.50
Club Med N	26.75	- 1.00	- 3.6	27.75	26.00	32.25	20.00	560	.41	.36	13.9	22.5	.20	.7	.....	6 mos.	04-86	107.9	79.6	14.8	8.9	1.08	.65	193.3	159.2	20.0	17.9	1.46	1.31
Golden Nugget N	11.50	- .38	- 3.2	11.88	11.00	16.00	9.50	7,653	2.51	4.21	- 40.4	54.8	.00	.0	.....	3 mos.	03-86	87.2	91.7	3.5	19.1	.11	.55	87.2	91.7	3.5	19.1	.11	.55
Hilton Hotels N	64.00	- 5.00	- 7.2	68.75	62.75	80.25	56.63	2,360	.95	.90	5.6	16.9	1.80	2.8	.....	3 mos.	03-86	158.8	168.2	17.4	23.5	.70	.94	158.8	168.2	17.4	23.5	.70	.94
Holiday Cp N	56.88	- 1.63	- 2.8	58.50	55.00	70.00	48.75	12,511	4.86	2.00	143.0	12.0	1.16	2.0	.....	3 mos.	03-86	387.5	427.2	19.8	33.7	.77	1.08	387.5	427.2	19.8	33.7	.77	1.08
LaQuinta Mot N	12.63	- 1.38	- 9.8	14.00	12.38	16.75	11.50	2,032	1.39	2.09	- 33.5	29.4	.00	.0	.....	9 mos.	02-86	39.0	34.3	(1.3)	(.4)	(.09)	(.03)	132.0	115.6	3.9	6.7	.27	.46
Prime Mtr Inn N	35.13	- 1.25	- 3.4	36.38	32.75	45.38	22.69	12,434	4.36	1.66	162.7	28.6	.08	.2	.....	9 mos.	03-86	85.7	53.0	9.4	7.3	.33	.23	239.8	155.5	25.5	18.6	.94	.67
Ramada Inns N	7.75	- .25	- 3.1	8.13	7.50	11.00	6.63	4,738	1.27	2.23	- 43.0	20.9	.00	.0	.....	fiscal	12-85	138.7	151.7	2.3	(2.1)	.06	(.05)	583.2	598.1	13.8	4.7	.37	.13
Resorts Intl A A	61.75	- 4.50	- 6.8	66.25	60.00	77.00	36.00	1,658	2.92	4.95	- 41.0	NE	.00	.0	.....	3 mos.	03-86	111.5	118.5	(5.0)	.5	(.78)	.08	111.5	118.5	(5.0)	.5	(.78)	.08
Servico Inc M	22.00	- 1.50	- 6.4	22.25	21.50	26.63	18.75	165	.43	.49	- 12.2	10.7	.00a	.0	.....	3 mos.	03-86	37.7	42.0	(1.0)	.1	(.25)	.04	37.7	42.0	(1.0)	.1	(.25)	.04
Sonesta Intl M	14.50	.00	.0	14.50	14.50	14.50	10.50	1	.00	.16	-100.0	NE	.20	1.4	.....	3 mos.	03-86	13.2	12.0	(4.4)	(3.7)	(1.46)	(1.23)	13.2	12.0	(4.4)	(3.7)	(1.46)	(1.23)
Utd Inns N	43.50	- .50	- 1.1	43.75	43.50	51.75	41.75	13	.05	.38	- 86.8	90.6	.22	.5	.....	6 mos.	03-86	41.1	43.7	(2.8)	1.3	(.90)	.51	81.5	84.7	(.2)	.8	.07	.31
Other Companies with Food-Service Operations																													
Allegheny Bev M	16.00	- .75	- 4.5	16.50	15.75	30.00	15.00	1,694	2.12	5.82	- 63.6	1.6	.40	2.5	.....	fiscal	03-86	299.2	129.7	(8.1)	(5.6)	(.58)	(.90)	1127.3	495.6	67.9	(1.7)	9.73	(.28)
Benihana Natl M	8.50	- .63	- 6.8	9.25	8.13	20.13	8.38	303	.91	1.70	- 46.5	NE	.00	.0	.....	fiscal	03-86	18.0	27.3	(1.3)	1.3	(.42)	.45	76.3	67.0	(.9)	3.1	(.29)	1.07
Disney Walt Co N	49.75	.00	.0	50.00	44.88	54.88	20.47	34,394	2.66	1.94	37.1	34.8	.32	.6	.....	6 mos.	03-86	592.4	451.5	51.8	35.0	.38	.26	1096.6	878.0	86.5	67.2	.64	.50
Flanigan Ents A	4.13	- .25	- 5.7	4.25	4.13	8.25	3.75	53	.57	.33	72.7	NE	.00	.0	.....	6 mos.	03-86	10.2	15.3	.0	.1	.04	.17	21.8	31.9	1.1	.4	1.20	.46
Gen Mills N	82.50	- 1.25	- 1.5	84.00	80.13	87.50	55.13	4,247	.95	1.35	- 29.6	20.1	2.32	2.8	NEW	fiscal	05-86	1161.3	984.6	42.2	(108.5)	.94	.84	4586.6	4285.2	183.5	(72.9)	4.11	1.63
Grace W R N	49.63	- 2.88	- 5.5	52.50	48.50	60.75	35.50	20,256	3.72	2.07	79.7	24.6	2.80	5.6	.....	3 mos.	03-86	1250.5	1580.0	(3.1)	35.5	(.08)	.72	1250.5	1580.0	(3.1)	35.5	(.08)	.72
Hershey Foods N	75.25	- 4.50	- 5.6	79.75	72.38	83.00	42.88	2,601	.83	.59	40.7	20.3	1.50	2.0	.....	3 mos.	03-86	508.0	488.2	27.0	22.7	.86	.73	508.0	488.2	27.0	22.7	.86	.73
Horn & Hardart A	13.25	.13	1.0	13.25	12.50	16.75	6.00	7,007	5.83	11.76	- 50.4	NE	.00a	.0	.....	3 mos.	03-86	86.2	82.3	(3.6)	NC	(.30)	(.01)	86.2	82.3	(3.6)	NC	(.30)	(.01)
LDBrinkman Cp M	7.13	- .13	- 1.7	7.25	7.00	9.88	5.25	542	.90	1.20	- 25.0	NE	.00	.0	.....	9 mos.	04-86	59.9	60.7	.8	6.1	.10	.21	186.6	188.1	3.3	11.0	.45	.94
Ogden Corp N	38.50	- 1.88	- 4.6	40.25	37.63	41.00	27.50	2,250	11.56	19.69	- 41.3	NE	1.80	4.7	.....	3 mos.	03-86	280.7	578.0	10.1	12.0	.52	.63	280.7	578.0	10.1	12.0	.52	.63
Pasquale Fd M	18.50	.00	.0	18.50	17.00	19.00	6.66	8	.03	.20	- 85.0	40.2	.02	.1	.....	6 mos.	03-86	19.3	17.1	1.0	.7	.14	.10	37.6	31.7	1.9	1.3	.25	.18
PepsiCo Inc N	30.88	- 1.13	- 3.5	31.13	29.88	35.63	3.50	45,120	1.66	1.56	6.4	5.3	.64	2.1	.....	3 mos.	03-86	1804.5	1683.6	68.7	62.8	.26	.22	1804.5	1683.6	68.7	62.8	.26	.22
Pillsbury Co N	74.13	- 2.88	- 3.7	76.75	72.00	82.38	48.00	6,440	1.48	1.38	7.2	15.5	1.72	2.3	.....	fiscal	05-86	1489.4	1219.4	56.6	47.3	1.30	1.09	5646.1	4670.6	208.1	191.8	4.77	4.42
RJR Nabisco N	50.00	- 1.75	- 3.4	52.50	49.38	55.13	24.75	42,647	1.70	1.44	18.1	13.9	1.48	3.0	.....	3 mos.	03-86	4620.0	2898.0	206.0	182.0	.66	.66	4620.0	2898.0	206.0	182.0	.66	.66
Southland Corp N	52.00	- 2.75	- 5.0	54.88	50.63	56.88	33.63	12,034	2.53	2.00	26.5	21.0	1.12	2.2	.....	3 mos.	03-86	3070.4	2813.3	(88.5)	1.0	(1.91)	.02	3070.4	2813.3	(88.5)	1.0	(1.91)	.02
Vie de France M	5.88	- .25	- 4.1	6.13	5.88	10.63	5.75	742	.69	.74	- 6.8	16.3	.23	3.9	.....	9 mos.	03-86	18.7	18.8	.9	1.5	.09	.15	47.7	48.5	2.8	4.5	.26	.42
Manufacturers and Distributors																													
Alco Standard N	40.38	- .88	- 2.1	41.38	40.00	46.75	32.00	1,849	.89	.56	58.9	18.5	1.24	3.1	.....	6 mos.	03-86	1045.5	872.1	11.5	13.4	.54	.61	2066.7	1773.9	26.3	29.6	1.20	1.34
Anchor Hocking N	25.13	- 1.50	- 5.6	26.50	24.63	32.25	23.25	4,439	4.22	1.95	116.4	NM	1.48	5.9	.....	3 mos.	03-86	174.3	173.5	.4	2.6	.04	.25	174.3	173.5	.4	2.6	.04	.25
Anderson, Clay N	53.13	- .63	- 1.2	53.88	53.13	61.25	38.75	1,033	.85	4.84	- 82.4	15.2	.00	.0	.....	9 mos.	03-86	28.3	459.1	23.8	2.4	1.94	.20	799.0	1388.9	39.3	13.1	3.21	1.08
Angelica N	27.00	- .50	- 1.8	27.50	26.50	29.75	22.13	882	.95	1.16	- 18.1	15.1	.60	2.2	.....	3 mos.	04-86	68.8	64.4	3.6	4.1	.39	.44	68.8	64.4	3.6	4.1	.39	.44
Anheuser Bu N	54.50	.50	.9	55.00	52.13	56.75	30.38	21,805	1.57	1.47	6.8	18.7	.80	1.5	.....	3 mos.	03-86	1749.0	1642.5	102.1	90.5	.66	.58	1749.0	1642.5	102.1	90.5	.66	.58
Bastian Indus O	3.63	- .25	- 6.5	3.81	3.63	4.00	2.75	102	.37	.57	- 44.8	NE	.00	.0	.....	9 mos.	04-86	28.3	33.8	(1.6)	.9	(.09)	.26	88.2	107.7	(3.5)	2.3	(1.41)	.70
Borden Inc N	46.38	.88	1.9	46.50	43.63	51.00	23.94	8,444	1.10	1.04	5.8	18.2	1.12	2.4	.....	3 mos.	03-86	1136.4	1077.4	36.7	34.7	.49	.44	1136.4	1077.4	36.7	34.7	.49	.44
Bridgford Fds M	6.00	- .75	- 11.1	6.00	6.00	7.75	4.00	2	.02	.15	- 86.7	26.1	.00	.0	.....	6 mos.	04-86	13.4	12.7	.1	.1	.09	.04	27.0	25.7	.2	.2	.19	.14
Campbell Soup N	62.25	- 2.00	- 3.1	64.13	59.50	68.50	35.81	3,570	.55	.90	- 38.9	18.8	1.32	2.1	.....	9 mos.	04-86	1090.0	1020.1	54.0	51.6	.83	.80	3348.2	3062.1	175.5	158.4	2.71	2.46
Canandaigua W A	33.25	- .22	- .7	34.00	32.13	35.44	13.13	110	.57	1.25	- 54.4	6.0	.00	.0	.....	9 mos.	05-86	55.0	35.9	2.4	1.9	1.25	1.00	117.7	87.6	6.0	5.0	3.13	2.60
Carling OKeef N	9.63	- .13	- 1.3	9.88	9.50	11.75	8.38	255	.12	.12	.0	NA	.48	NA	.....	fiscal	03-86	177.0	106.1	(5.3)	(3.2)	(.26)	(.17)	912.7	587.2	1.1	15.7	(.04)	.63
Castle & Cooke N	15.38	- .50	- 3.1	16.13	15.38	17.50	11.13	4,937	1.20	.88	36.4	22.0	.00	.0	.....	9 mos.	03-86	398.2	386.0	15.2	17.4	.24	.51	1201.7	1170.6	17.2	(46.5)	.00	(2.17)
Clorox Co N	55.50	.88	1.6	55.75	51.00	59.38	36.00	7,761	2.92	1.41	107.1	15.8	1.52	2.7	.....	9 mos.	03-86	279.6	267.5	26.4	18.3	.99	.92	771.8	735.6	66.4	53.4	2.50	2.25
Coca Cola Co N	41.00	- .50	- 1.2	41.88	40.00	44.88	22.44	56,726	1.44	1.38	4.3	21.7	1.04	2.5	.....	3 mos.	03-86	1901.8	1756.4	161.2	141.2	.42	.36	1901.8	1756.4	161.2	141.2	.42	.36
Coors, Adolph M	29.38	.50	1.7	29.63	26.63	31.63	16.00	9,506	2.69	2.12	26.9	17.3	.50	1.7	.....	3 mos.	03-86	263.4	244.5	7.2	.6	.20	.02	263.4	244.5	7.2	.6	.20	.02
ConAgra N	56.13	- 1.13	- 1.9	59.00	54.50	82.00	34.00	2,295	.69	1.05	- 34.3	19.1	1.00	1.7	.....	fiscal	05-86	1599.0	1390.5	30.7	25.6	.89	.75	5911.0	5488.2	105.3	91.7	3.05	2.85
Corning Glass N	63.75	- 3.50	- 5.2	66.88	62.00	81.50	43.38	8,161	1.43	1.45	- 1.4	21.6	1.40	2.2	.....	6 mos.	06-86	448.0	425.5	53.4	40.5	1.24	1.00	870.5	817.9	88.7	69.4	2.06	1.84
CPC Intl Inc N	67.00	- 2.63	- 3.8	69.25	64.50	74.00	41.25	4,401	.90	1.03	- 12.6	21.3	2.20	3.3	NEW	6 mos.	06-86	1129.0	1085.4	48.7	42.5	1.00	.87	2169.4	2087.0	86.7	75.7	1.78	1.55
Crown Zeller N	37.50	- 2.00	- 5.1	39.25	36.50	50.88	35.75	235	.08	.31	- 74.2	21.2	1.00	2.7	.....	3 mos.	03-86	706.2	762.0	.6	19.2	.02	.58	706.2	762.0	.6	19.2	.02	.58
Dart & Kraft N	60.00	- 1.25	- 2.0	61.75	58.00	65.88	33.63	31,192	2.16	2.18	- .9	16.9	1.72	2.9	.....	3 mos.	03-86	2432.7	2344.6	154.0	105.3	1.06	.73	2432.7	2344.6	154.0	105.3	1.06	.73
Dean Foods N	31.38	.13	.4	31.75	31.00	33.69	24.75	1,056	.45	.50	- 10.0	19.6	.46	1.5	.....	3 mos.	03-86	325.4	246.8	9.9	6.3	.37	.31	325.4	246.8	9.9	6.3	.37	.31
Dosiocil Cos O	1.69	- .06	- 3.6	1.81	1.56	2.31	1.13	1,912	.37	.57	- 35.1	33.8	.00	.0	.....	3 mos.	03-86	53.1	24.2	.9	.5	.01	.01	53.1	24.2	.9	.5	.01	.01
Economics Lab M	25.00	- 1.63	- 6.1	25.44	23.00	29.19	16.44	7,870	2.92	2.24	30.4	15.8	.58	2.3	.....	9 mos.	03-86	201.4	180.5	11.4	10.5	.42	.38	591.2	524.4	30.3	27.2	1.13	1.00
Fleming Cos N	37.63	- 2.25	- 5.6	40.13	37.25	44.88	34.13	5,125	2.36	1.57	50.3	13.9	1.00	2.7	.....	3 mos.	03-86	2265.0	2040.6	15.2	17.1	.70	.86	2265.0	2040.6	15.2	17.1	.70	.86
Fort How Pap N	52.75	- 3.50	- 6.2	56.00	50.50	60.50	36.81	9,611	1.40	.62	125.8	21.2	1.00	1.9	.....	3 mos.	03-86	319.4	308.7	37.0	33.2	.55	.53	319.4	308.7	37.0	33.2	.55	.53
Heinz, HJ N	44.25	- .50	- 1.1	45.50	41.38	48.25	25.25	12,502	.94	.71	32.4	20.1	.90	2.0	.....	fiscal	04-86	1219.3	1140.4	82.0	68.4	.80	.49	4388.2	4047.9	301.7	266.0	2.20	1.93
Hormel, George A	31.00	- 1.25	- 3.9	32.13	31.00	36.00	18.13	671	.35	.21	88.7	15.9	.56	1.8	.....	6 mos.	04-86	442.2	353.6	5.1	6.9	.27	.36	923.0	710.8	14.0	15.2	.73	.79
Intl Multifood N	43.63	- .63	- 1.4	44.75	43.63	47.25	31.50	1,394	1.44	1.18	22.0	14.4	1.76	4.0	.....	3 mos.	05-86	363.5	321.3	2.7	2.8	.31	.33	363.5	321.3	2.7	2.8	.31	.33
James River N	25.38	- 1.50	- 5.6	26.00	22.00	31.78	21.19	16,185	3.14	2.49	26.1	14.3	.40	1.6	.....	fiscal	04-86	694.0	644.9	27.3	34.1	.49	.73	2607.0	2492.0	95.3	101.4	1.77	2.12
Kellogg N	52.00	- 2.75	- 5.0	54.88	50.13	58.75	25.75	9,836	.81	.67	20.9	22.4	1.00	1.9	.....	3 mos.	03-86	788.0	703.5	76.5	71.1	.82	.58	788.0	703.5	76.5	71.1	.82	.58
Litton Ind N	74.88	- 4.63	- 5.8	79.50	72.38	93.50	66.00	9,704	3.57	1.85	93.0	21.5	.00	.0	NEW	9 mos.	04-86	1108.3	1182.0	(49.6)	81.5	(1.79)	1.91	3377.3	3473.7	41.1	223.4	1.45	5.24
Manitowoc M	19.25	- .50	- 2.5	19.50	19.00	24.50	18.00	610	.56	1.23	- 54.5	21.6	.80	4.2	.....	9 mos.	03-86	43.5	32.3	1.7	4.3	.15	.39	129.5	95.6	5.7	8.2	.52	.75
McCormick M	40.75	.00	.0	40.75	39.75	44.75	30.75	1,707	1.40	1.82	- 23.1	17.3	.88	2.2	.....	6 mos.	05-86	223.5	209.2	3.9	3.5	.32	.28	446.7	400.1	8.1	7.1	.57	.58
Oneida Ltd N	15.63	- .50	- 3.1	16.25	15.63	18.63	13.13	315	.48	.98	- 51.0	39.1	.80	5.1	.....	3 mos.	04-86	69.6	64.2	.2	(.6)	.03	(.10)	69.6	64.2	.2	(.6)	.03	(.10)
Philip Morris N	71.25	- 2.38	- 3.2	73.25	70.63	76.88	36.00	49,133	2.06	1.84	25.6	13.0	2.30	3.2	.....	3 mos.	03-86	5824.0	3315.0	316.0	256.4	1.32	1.06	5824.0	3315.0	316.0	256.4	1.32	1.06
Proct & Gambl N	72.25	- 4.75	- 6.2	77.00	72.13	82.50	55.00	16,722	1.00	.82	22.0	17.4	2.70	3.7	.....	9 mos.	03-86	4102.0	3350.0	(356.0)	180.0	.88	.96	11832.0	10210.0	58.2	520.0	3.46	3.11
Quaker Oats N	76.00	- 5.13	- 6.3	80.88	73.75	84.75	47.00	4,209	1.08	.57	9.3	18.2	1.40	1.8	.....	9 mos.	03-86	880.1	820.5	42.7	36.4	1.08	.86	2842.5	2585.7	106.5	93.4	2.63	2.22
Ralston Purina N	71.38	- 3.25	- 4.4	74.63	68.50	77.00	38.75	10,280	1.36	1.22	11.5	15.9	1.10	1.5	.....	6 mos.	03-86	1315.2	1484.6	61.8	57.6	.83	.73	2846.2	3042.2	236.1	140.4	3.06	1.71
Reynolds Metal N	41.88	- 2.38	- 5.4	44.25	40.88	52.75	30.25	6,778	3.11	2.08	49.5	NE	1.00	2.4	.....	3 mos.	03-86	836.3	811.4	14.3	7.0	.51	.31	836.3	811.4	14.3	7.0	.51	.31
Ryloff A	29.00	- 1.25	- 4.1	30.13	28.50	37.38	20.50	539	.76	2.00	- 61.0	23.4	.60	2.1	.....	fiscal	04-86	277.2	217.4	1.0	3.3	.14	.48	1037.3	853.0	8.7	11.2	1.24	1.79
Rymer Co N	17.00	- .25	- 1.4	17.38	17.00	[illegible]	14.63	334	1.27	1.38	- 8.0	22.4	.00	.0	.....	6 mos.	04-86	57.4	20.2	.6	.8	.04	.30	114.5	41.8	1.1	1.9	.05	.74
Sara Lee N	65.13	- 2.75	- 4.1	67.88	62.75	[illegible]	[illegible]75	8,601	1.61	1.06	51.9	16.5	1.60	2.5	.....	9 mos.	03-86	1932.6	1936.9	50.3	48.0	.91	.83	5930.0	5990.0	158.5	146.1	2.86	2.53
Scott Paper N	52.88	- 3.13	- 5.6	55.88	52.75	[illegible]	[illegible]53	8,789	2.42	1.48	63.5	10.4	1.24	2.3	NEW	6 mos.	06-86	828.6	761.1	56.3	53.1	1.50	1.10	1630.0	1457.3	95.4	95.2	2.55	1.97
Shelby Wms M	21.50	- .50	- 2.3	21.75	21.00	28.00	[illegible]28	1,971	1.91	1.40	36.4	24.4	.16	.7	NEW	6 mos.	06-86	32.6	28.6	2.1	1.8	.20	.17	60.6	54.1	3.7	3.1	.36	.30
Smucker, J.M. N	30.50	- 2.13	- 5.1	41.25	37.50	51.75	31.75	678	.92	.51	80.4	18.4	.60	1.5	.....	fiscal	04-86	85.2	63.0	3.9	5.2	.53	.70	282.8	230.5	15.9	15.9	2.15	2.14
Staley Cont N	26.00	- .63	- 2.3	26.63	25.25	28.75	19.50	5,419	1.89	2.63	- 28.1	NE	.80	3.1	.....	6 mos.	03-86	673.0	673.3	(8.0)	3.5	(.29)	.11	1387.3	1245.2	(2.4)	6.3	(.10)	.20
Sysco Corp N	29.38	.38	1.3	29.63	28.88	30.38	17.38	5,648	1.29	.71	81.7	22.8	.24	.8	.....	9 mos.	03-86	782.9	648.3	12.6	11.4	.28	.27	2330.4	1836.5	42.2	36.6	.57	.86
Tyson Food Inc M	32.50	- .50	- 1.5	34.25	30.75	37.75	10.13	7,793	1.74	1.61	8.1	33.9	.04	.1	.....	6 mos.	03-86	331.9	288.3	11.3	8.5	.26	.22	626.1	557.8	22.1	16.8	.52	.44
Wilson Foods M	9.63	.13	1.3	9.63	9.13	10.25	4.25	3,576	5.96	8.31	- 28.2	48.1	.00	.0	.....	9 mos.	04-86	353.0	357.7	.3	(5.8)	.05	(.80)	1082.1	1142.3	(27.0)	(11.4)	(4.50)	(1.90)

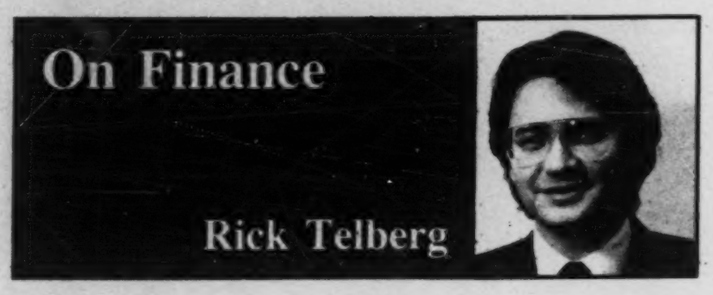
Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

FINANCIAL NEWS

In the small world dept.: Getting franc about a yen for beans

The U.S. dollar will buy about seven French francs, 2.2 West German marks, 161 Japanese yen, $1.37 Canadian, $38 Taiwanese and 882 South Korean won.

This little tabulation in foreign exchange isn't brought to you to help you plan your summer vacation schedule. It is meant to drive home the point



that what was worth a dollar on international currency markets 18 months ago is now worth about 75¢.

But, you're asking, what does that have to do with beans in Boston? Plenty. Especially if you are listing a bowl of beans on your restaurant's menu and you're wondering why no one is buying it.

Many restaurateurs seem to be waiting anxiously for a summertime sales rebound sparked by an economic revival. Joseph Doyle, who follows the restaurant business for the New York brokerage of Smith Barney, Harris Upham & Co., recently termed the industry's condition "not only poor but deteriorating."

While many economists and analysts still believe that faster economic growth lies ahead, they are becoming less certain about when it will arrive.

Their carefully constructed scenarios are quivering like a house of cards in a breeze because one of the swiftest drops in the value of the dollar has failed to ignite domestic manufacturing activity.

Even the lowest interest rates in almost nine years have failed to prod a wheezing economy out of its two-year lethargy. When the Federal Reserve cut its discount rate, the nation's basic lending rate, one-half point—to 6%—in early July, the financial markets took it more as a sign of trouble than of relief.

In the *Blue Chip Economic Indicators Newsletter*'s July survey of 52 economists, it noted that the average prediction called for pallid 2.5% growth this year. Only last October the same group was expecting a healthy 3.3% pace.

Even the Reagan administration, which held on to its prediction of a booming 4% growth rate as long as it could, is backing off. Washington reports indicate the administration's next guess will be for 3.4% growth or less. The slowed growth could derail hopes of chopping last year's record $212 billion federal budget deficit.

The Conference Board, a business roundtable, predicted at the beginning of the year that new plant and equipment investments would rise 8% this year. The group's latest guess is for a 1% rise.

What's going wrong? The prognosticators have been blind-sided by the sheer depth of the nation's dependence on foreign goods. Foreign trade, which amounted to only 8% of the nation's business in 1970, now accounts for 14%. The country is facing a repeat of last year's record $148 billion trade deficit again this year.

A declining dollar should have prodded Americans to shift their buying to goods made in America. In turn, that should have spurred domestic manufacturing activity. The ripple effect would continue by increasing employment and wage levels and thus personal incomes, translating into higher consumer spending.

A share of that eventually ends up in the cash registers of the nation's bars, grills, lunch counters and pizza parlors and burger palaces.

"The manufacturing sector is still very weak," Sandra Shaber, director of consumer economics at Chase Econometrics, said recently. "That means that the highest-paying jobs are not being created as fast as in the service sector, where the jobs just don't pay as much. That's one of the factors that are probably affecting the restaurant business."

"For 25 months," said AFL-CIO economic researcher Rudy Oswald, "the stagnant U.S. economy has had what America used to call recession-level unemployment—joblessness at or above the 7% mark."

The so-called experts still believe that the United States' foreign competitors will be forced into retreat. They just don't seem to know when that will be. And the restaurant industry, the reasoning goes, may not rebound until then.

* * *

On the comeback trail? Michael Esposito at Oppenheimer & Co. in New York can't explain it, but budget steakhouses seem to be staging a comeback. "After a decade of slowdown in the steak segment," Esposito said, "sales seem to have bottomed and are showing signs of improvement." He sees resilience at Quincy's, Sizzler, Ponderosa and Bonanza.

* * *

Dinner and a movie, dear? Home videos are supposed to be every restaurateur's newest competitor. But video-cassette recorders are even more of a threat to the owners of big-screen movie houses. So why isn't Robert Selig, president of the California Theatre Association, worried? He was quoted recently as saying: "Everybody is going to have a VCR, but the novelty will wear off. Everybody has a kitchen, too, and people still go out to restaurants."

June sales growth slows to 5.4% rate

(Continued from page 1)

dustry," said Michael Esposito, who monitors the restaurant industry for the New York investment house of Oppenheimer & Co. "We've seen no general improvement to speak of."

But a Commerce Department spokesman, who asked not to be named, suggested that both the government and the private sector experts, who generally follow restaurant chains, could be correct. If chain-restaurant sales are flat in the face of an industry-wide upswing, he said, "small independents may be outperforming the big companies."

"June marks the second year of poor month-over-month comparisons," Richard Simon at Goldman, Sachs & Co. in New York told clients in a recent report.

Many restaurateurs and observers expect sales to rebound in July and August as consumers begin summer vacations. Enriched by lower interest rates and gas prices and shunning Europe for fear of terrorism, Americans are expected to increase eating-out spending this summer.

But Simon cautioned that midsummer improvements "may be false signals caused by a two-month blip in leisure travel rather than any sound alterations in the underlying dynamics of the industry."

"The more time goes on without an improvement," Esposito fretted, "the more you have to worry that it will really happen."

The Commerce Department estimated total eating and drinking place sales of $12.1 billion in June, a 5.4% advance over $11.5 billion in June 1985. The figures, subject to broad revision in coming months, are not adjusted for seasonal trading differences or inflation, which, according to the U.S. Labor Department, has been running about 4% in recent months.

In revising its month-earlier estimates for April and May, the government upgraded April's year-to-year growth rate to 7.8% from 3.3% and May's to 7.6% from 4.6%.

Analysts who monitor results at large chain-restaurant companies said they saw little reason to believe sales trends in April and May had been significantly stronger than in March, which Commerce estimated at 4.6%, or in June.

The Commerce Department said seasonally adjusted June sales declined 0.9% from those of May. May's month-to-month seasonally adjusted change was revised to a 1% gain from a 0.5% decline. And April's earlier estimate of a 0.4% slump was updated to a 2.2% advance.

Total seasonally adjusted retail sales increased 0.2% in June after rising at a revised 0.7% rate in May, the Commerce Department said.

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NRN FINANCIAL DIGEST

Chicken costs wing Church's net

SAN ANTONIO, Tex. — Church's Fried Chicken Inc. said high poultry prices and softer-than-expected sales slashed net profits 39% from the year-ago level, to $6.85 million, in the second quarter ended June 15. Revenue declined 15%, to $118 million.

Concept Development buys Pantera's

OMAHA — Concept Development Inc. said it exercised its March 18 option to acquire Pantera's Corp. of St. Louis, which operates a 125-unit pizza chain, which includes the Godfather's Pizza outlets Concept Development is converting to Pantera's.

El Torito profits decline 7%

IRVINE, Calif. — El Torito Restaurants Inc., an operator of Mexican dinnerhouses, said it earned $3.287 million in its second quarter ended June 30, a 7% decline from the year-ago level. Revenue rose 18%, to $99.9 million. The company said lower sales led to higher labor costs.

El Torito is in the midst of a $20-per-share leveraged buyout attempt.

Skipper's loss interrupts trading

BELLEVUE, Wash. — Trading in the shares of Skipper's Inc., a fast-food seafood chain, was halted briefly when the company disclosed it lost $502,000 in the first quarter ended June 15. The deficit included a $975,000 pretax charge stemming from losses at its jettisoned Zackly's home-style cooking venture.

In the year-ago quarter, Skipper's earned $650,000. Revenue in the latest quarter rose 14%, to $18.5 million.

Sea Galley cites improvements

MOUNTLAKE TERRACE, Wash. — Sea Galley Stores Inc., a 49-unit seafood dinnerhouse chain, said it earned $13,287,000 in the second quarter ended June 15, a 62% decline from the figure for the year-ago period. Revenue slipped 8%, to $14.1 million.

Sea Galley officials said a $10 million debt issue raised the company's interest costs, but operating profits advanced as overhead expenses were trimmed and store-level sales increased 6%.